

REACHING FOR PEACE

Israel and the PLO Agree on Mutual Recognition, Self-Rule Pact Is Set for Signing Monday in U.S.

In Middle East, A Dramatic Shift In Maps and Minds

By Thomas L. Friedman
New York Times Service

WASHINGTON — The Middle East will never be the same. Mutual recognition between Israel and the Palestine Liberation Organization fundamentally alters the maps of the Middle East, both geographical and psychological. It may not bring peace tomorrow or the day after, but it will reshape the Middle East more than any single event of the past half-century.

This mutual recognition creates the potential for dramatically new alliances that could knit together both Israel and Arab countries; it unearths a mother lode of diplomatic opportunities for the United States, which will no longer have to choose between friendships with

NEWS ANALYSIS

Israel or the Arabs; it will make it much easier for the pro-American Arab states to be identified with Washington; it will deprive the Arab and Muslim fundamentalists of their most potent issue for mobilizing the Arab street — the war with Israel — and, most important, it will create the real foundations for Arab-Israeli reconciliation.

But precisely because this event is so transforming it will not go down peacefully in the old world. Among both Israelis and Palestinians there are many parties devoted to the status quo: Israelis who do not want to give up land because they believe it is the biblical patrimony of the Jewish people or they do not trust PLO promises, and Palestinians who will never resign themselves to the notion that the Jews have a legitimate claim to the land of Israel or do not trust Israeli promises. All of them have quietly been counting on the notion that this day would never come. They will be as deeply threatened by it as the advocates of peace will be uplifted.

To appreciate just how unexpected, how mind-bending, this change is, consider the fact that several years ago Life magazine ran a demonstration of trick photography, in which it seamlessly grafted the heads of different people onto the bodies of others. To prove how wild such photography could be, Life created a picture of President Ronald Reagan bringing the Israeli prime minister at the time, Yitzhak Shamir, and the PLO leader, Yasser Arafat, into a handshake on the White House lawn.

On Monday no trick photography will be needed. President Bill Clinton is expected to host just such a handshake between senior Israeli and PLO officials in his backyard.

It is the psychological impact of that ceremony — two neighbors who for years never recognized the other's legal title to Palestine/Israel finally acknowledging that they each have an equally valid claim — that will be the most enduring.

For the Israelis, that moment will not only signify the beginning of the healing of the Arab-Israeli conflict, but, in some ways, it also could signify the first signs of the Israeli people's recovery from the trauma of the Holocaust.

For years, noted the Israeli political theorist Yaron Ezrahi, Israeli leaders from Golda Meir to Mr. Shamir drew from the Holocaust the pessimistic lesson that the only way Jews could survive in the post-Holocaust world, given the tragedy they experienced, was by relying on their swords. They can and should trust no one. Not matter how strong Israel became, they always spoke and behaved like victims who were acted upon instead of in control of their destiny.

"What Rabin, who is the first Israeli-born prime minister of Israel — that will be the most enduring.

See RESHAPE, Page 7



A deportee waving the Koran on Thursday as he headed to Israel. Nearly 200 Palestinians were repatriated under a U.S.-brokered agreement. Page 6.

Arafat Group Renounces All Violence

By David Hoffman
Washington Post Service

JERUSALEM — Israel and the Palestine Liberation Organization agreed Thursday to end three decades of hatred, violence and bloodshed between them. Prime Minister Yitzhak Rabin and the PLO chairman, Yasser Arafat, exchanged letters of mutual recognition, and Mr. Arafat separately called on Palestinians to turn away from their uprising against Israel and toward peace and reconstruction.

(The PLO Executive Committee empowered Mr. Arafat to sign the letter recognizing Israel, a committee member, Yasser Abed Rabbo, said Thursday in Tunis, Reuters reported.)

Mr. Rabin's senior cabinet ministers approved Israel's statement. Mr. Rabin and Mr. Arafat planned to formally sign the documents Friday in Jerusalem and Tunis.

The statements paved the way for a White House ceremony Monday in Washington, where Israeli and Palestinian representatives will sign a joint declaration of principles designed to guide the establishment of a temporary Palestinian government in the Gaza Strip and West Bank town of Jericho. The interim government will eventually expand its authority to most of the West Bank.

President Bill Clinton praised the agreement and notified Congress that the United States intended to resume its dialogue with the PLO.

The statements of mutual recognition effectively called a halt to the nearly 30 years of conflict between the PLO and Israel. For both Palestinians and Israelis, the letters carried deep emotional and symbolic weight.

Israel, which had long regarded the PLO as a terrorist organization, said it would now recognize it "as the representative of the Palestinian people," but it stopped short of calling it the "sole" representative, as the PLO has claimed. The PLO, which was dedicated to armed struggle against the Jewish state, pledged to participate in a new era of "peaceful co-existence free from violence," and promised to amend its charter, removing those sections challenging Israel's right to exist.

Both Mr. Rabin and Mr. Arafat came a long way to arrive at the agreements, which were nurtured in recent months by secret diplomacy in Norway. Only a year ago, Israeli law made it a crime even to have contact with the PLO. And Mr. Arafat's statements went beyond those he made in 1988 when he first promised to end terrorism and recognize Israel's right to exist.

In particular, Mr. Arafat accompanied his letter to Mr. Rabin with a separate statement to the Norwegian foreign minister, Johan Jorgen Holst, in which he urged Palestinians to cease the nearly six-year-old *intifada*, or uprising, against Israeli occupation. Without explicitly mentioning the *intifada*, Mr. Arafat said the PLO would now urge Palestinians in the West Bank and Gaza Strip to take part in efforts at "normalization" with Israel and to reject violence and terrorism while helping with reconstruction and economic development.

The letter to Mr. Holst was Mr. Arafat's answer to demands from Israel that he make an effort to halt the uprising as a condition of Israel recognizing the PLO.

Mr. Holst was in Tunis waiting to carry the documents to Jerusalem on Friday morning. The exchange of letters was made possible only after a last-minute meeting in Paris this week between Israeli and PLO officials to work out the wording of the documents.

Once the declaration of principles is signed

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Will It Succeed? Quick Benefits Essential

By Barry James
International Herald Tribune

Middle East experts said Thursday that the success of the Middle East peace agreement between Israel and the Palestine Liberation Organization hinged on how fast the accord can be translated into tangible economic and political benefits.

But as Israel and the PLO prepared to take the historic step of recognizing each other, radical Palestinian groups in Damascus were considering how they could sabotage the move to limited self-rule in the Gaza Strip and Jericho.

Ahmed Jibril, a former Syrian Army captain who leads the Popular Front for the Liberation of Palestine-General Command, a radical faction, predicted that the PLO chairman, Yasser Arafat, will be assassinated because "people will not be lenient with a man who has given away 90 percent of their land."

The experts were uncertain as to how the PLO could bring a radicalized generation of Palestinians under control without unleashing terrorism and perhaps even civil war.

Andrew Whitley, executive director of Middle East

Watch, said the PLO will be stepping into a human-rights minefield. It will be expected to pursue alleged Israeli violations of human rights and while handling the "hot potato" of Palestinians accused of collaborating with the Israelis. Another question is that of Palestinians in Israeli prisons.

"Whether the Palestinian authority is able to establish across-the-board rule of law is going to be truly crucial," Mr. Whitley said.

But some experts questioned whether the PLO has the moral and physical resources to be able to do that.

"One of the pitfalls is that the new leadership, as installed through the peace deal, appears to be out of touch with the people, appears not to be listening to them, appears not to be embracing their efforts," said Rosemary Hollis, who is in charge of the Middle East studies program at the Royal United Services Institute for Defense Studies in London.

"The *intifada* is the one positive thing the Palestinians have got," she said.

While the proposed Israel-PLO deal calls on the Palestin-

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Reaching for Peace



For Palestinians on West Bank, a distant dream comes true. Page 6. Clinton hailed the pact and announced plans to resume talks with PLO. Page 7. Jordan to sign a pact with Israel soon after the Palestinian accord is set. Page 7. The text of letters between Mr. Arafat and Mr. Rabin on recognition. Page 7.

Cautiously, Germany Leads European Rates Lower

By Brandon Mitchener
International Herald Tribune

FRANKFURT — In what is likely to be the last such move for a while, the Bundesbank cut key interest rates on Thursday, triggering a wave of similar reductions across Europe aimed at stimulating the Continent's stalled economic growth.

But the German central bank barely shaved its bank lending rate, or repurchase rate, the one that directly affects the cost of money in the money markets. And France left its most important rate unchanged, indicating it was not ready to soften monetary policy and risk weakening its defense of the franc.

The moves Thursday mean that while the

Bundesbank appears ready to continue its policy of cautious rate cuts, there is little prospect for speedy reductions in the high cost of money in Germany or in the rest of Europe.

The Bundesbank's timid trimming of the repurchase rate, to 6.70 percent from 6.80 percent, left the Deutsche mark undamaged in the currency markets. The dollar lost a penny and a half, falling to its lowest level against the mark in three months. (Page 13)

Still, by also cutting the discount rate, its cheapest rate on loans to banks, the Bundesbank gave itself room to lower the repurchase rate in the future without having to lower the discount rate again soon. The discount rate was reduced a half point to 6.25 percent and the

Lombard rate, less important at a time of falling interest rates, a half point to 7.25 percent.

The Bundesbank's moves were welcomed in Brussels. "It's a positive signal in a period of uncertainty," said Henning Christophersen, the European Community's economic affairs commissioner. "It's a decision that has to be followed by a general reduction in interest rates to create more growth and employment," he said.

Italy, Belgium, the Netherlands and Austria also cut key rates, while France made only the symbolic gesture of trimming its 5-to-10-day lending rate. The Bank of France's more important intervention rate, which acts as a floor on money market rates, was left unchanged at 6.75 percent.

Encouraged by signs of slowing inflation and an ascendant German currency, the Bundesbank acted on interest rates amid widespread expectations that these would be its last significant moves for a month or more.

Some observers also suggested the easing, the first in two months, was timed to grease a transition in Bundesbank leadership that might have made it difficult to act later without inviting allegations of having gone soft on inflation.

Helmut Schlesinger, the central bank president, is to retire and turn over the reins to his deputy, Hans Tietmeyer, on Oct. 1.

"Imagine the reaction if Mr. Tietmeyer were to cut rates his first day on the job," said Rainer

See GERMANY, Page 15

Swiss Court Overrules Ban On French Soccer Champs

By Roger Cohen
New York Times Service

PARIS — The alleged bribery case that has plagued European soccer for the past three months veered into uncharted territory on Thursday when a Swiss court overturned a ban on the French club Olympique Marseille.

The team, owned by the maverick leftist politician Bernard Tapie, was barred on Monday from Europe's most prestigious soccer tournament, the Champions' Cup competition, because of accusations that it had tried to pay three players from another French club, Valenciennes, to go easy in a league match in May.

But the Bern district court, responding to a lawsuit filed by Mr. Tapie, overturned the ban on Thursday and said Marseille, the European and French champion, must be reinstated in the competition. The hearing was held in Switzerland because UEFA, the sport's governing body in Europe, which imposed the ban, is based there.

[A spokesman for the sport's international governing body, FIFA, said Thursday that Mr. Tapie had promised to drop his lawsuit, Agence France-Press reported. (Page 19)]

Thursday, Mr. Tapie said, "There's no question of me withdrawing my court action."

The Swiss ruling created a situation of extraordinary confusion in a case that has lurched from twist to twist since Mr. Tapie's club was first accused of bribery this summer. The French soccer federation has named another club, Monaco, to replace Marseille in the Champions' Cup.

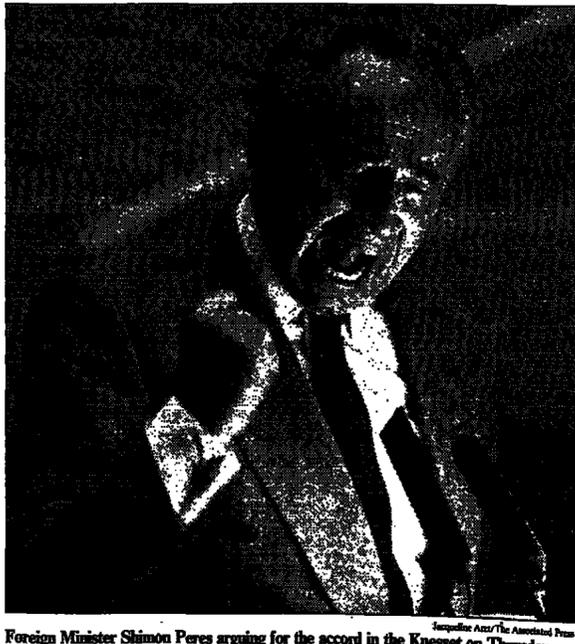
It was not immediately clear whether Marseille, or Monaco, would play. Marseille's victory in last year's tournament was the first ever by a French club in any of the three European cup competitions.

Whichever French club takes the field in a first-round match against the Greek champion, AEK Athens, it is scheduled to do so on Wednesday. But Judge Jürg Hug, in Bern, gave UEFA 10 days to respond to his temporary stay.

It was unclear how UEFA would respond to the ruling. A spokesman said the organization was studying the matter.

Earlier Thursday, the French federation announced that FIFA had threatened to exclude

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Foreign Minister Shimon Peres arguing for the accord in the Knesset on Thursday.

Kiosk

Dow Corning to Settle Breast-Implant Suits

DETROIT (AP) — Dow Corning Inc. said Thursday that a \$4.75 billion global settlement to thousands of lawsuits filed over silicone breast implants was being discussed by plaintiffs and defendants in the cases.

Under the plan, industry participants would pay into a fund serving as an insurance policy for women who have breast implants.

Dow Jones	Trib Index
Up 0.56 3,589.49	Up 0.06% 108.39
The Dollar	
New York	Three days
DM 1.5399	previous close 1.5148
Found 1.5426	1.5425
Yen 105.25	105.535
FF 5.6375	5.6855

Donald Graham Heads Post Co.

International Herald Tribune

WASHINGTON — Donald E. Graham, 48, has been elected chairman of the board of The Washington Post Company, succeeding his mother, Katharine Graham, the company announced Thursday.

Mrs. Graham, 76, who had headed the company since 1973, was elected chairman of the executive committee of the company's board of directors. She will continue as co-chairman of the International Herald Tri-

bune, which is owned jointly by The Post and The New York Times.

Mr. Graham continues as chief executive officer of The Washington Post Company and as publisher of The Washington Post. He was named publisher in 1979 and chief executive officer in 1991. Alan G. Spoon will succeed him as president of the company.

A 1966 Harvard graduate, Mr. Graham joined The Washington Post Company in 1971 and was elected a director in 1974.

سكوا من الأصل

U.S. Admits It Had Program to Fake 'Star Wars' Tests

Compiled by Our Staff From Dispatches

WASHINGTON — The Pentagon confirmed Thursday that it developed a highly secret program in 1984 to deceive the Soviet Union about progress in U.S. efforts to develop a non-nuclear means of shooting down ballistic missiles in space.

Defense Secretary Les Aspin, disclosing the once-secret program at a Pentagon news conference, said the deception program was never put into use.

"One, there was a deception program," he said in a statement. "Two, Congress was not informed about, but three, ultimately it was not used."

Mr. Aspin disclosed the deception program in reporting on the results of an internal Pentagon investigation of allegations that a 1984 anti-missile test was rigged and that rigging was part of a secret effort to deceive the Soviet Union.

The allegations were reported by The New York Times of Aug. 18 and in IHT editions of Aug. 19. Mr. Aspin said the Pentagon concluded that the test, called the Homing Overlay Experiment, was not rigged.

"The Homing Overlay deception program could not happen today without Congress knowing about it," Mr. Aspin said, because of a 1988 law that required that Congress be informed about all "special access programs" — those that are highly secret.

The experiment was designed to show that an interceptor missile equipped with an infrared sensor could detect a hostile missile flying outside the earth's atmosphere, guide itself into the target's path and destroy it by force of impact.

Mr. Aspin said the deception program consisted of an explosive charge placed aboard the target missile.

"The plan was to detonate the

charge in order to give a near miss the appearance of a direct hit to give Moscow the appearance that our efforts were more successful than they were," Mr. Aspin said.

He said the charge was not detonated because the interceptor did not come close enough to the target missile.

"In the final flight" of June 10, 1984 "the charge was not activated and could not have been detonated," Mr. Aspin said.

Army officials who were involved with the 1984 experiment have said in recent weeks that there was deception in the experiment.

Mr. Aspin also said the Pentagon went to "serious lengths" to determine whether the results of earlier or subsequent tests were tainted by the deception program.

"Our conclusion at this point is that no past test results have involved deception programs that could have deceived Congress or the American people," Mr. Aspin said.

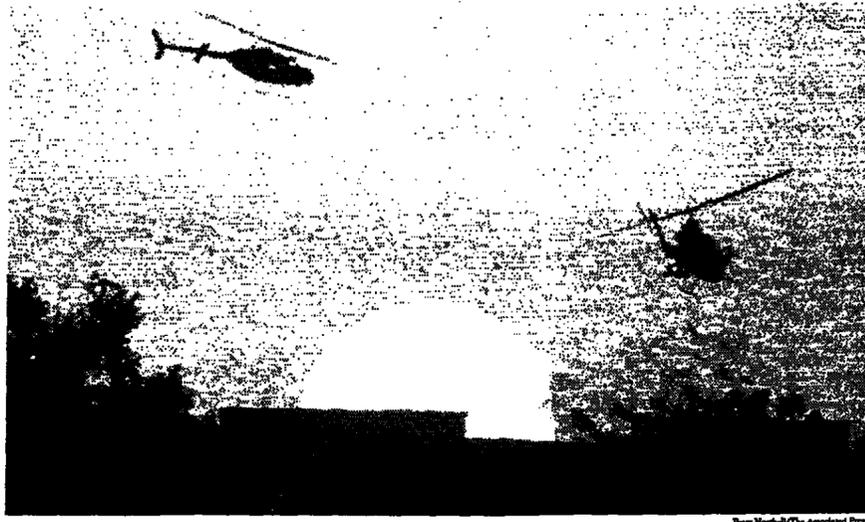
He conceded, however, that the target of the June 1984 test high over the Pacific Ocean was artificially heated to make it easier for the heat-seeking homing device on the U.S. weapon to find the target.

He said that radar beacon also had a radar beacon on board, but that there was no receiver for beacon signals on the experimental U.S. weapon.

"Overall, our conclusion on the experiment is that it was not rigged by the inclusion of a radar beacon on the target, nor by any other means," Mr. Aspin said.

At the time of the test, U.S. defense officials said it was an example of U.S. ability to "hit a bullet with a bullet" and it gave impetus to the now-downgraded "Star Wars" program to develop weapons to protect the United States from nuclear attack.

(AP, Reuters)



As the sun set over Mogadishu, helicopter gunships under the UN took off in an apparent effort to disarm Somali gunmen.

U.S. Fires at Somali Women and Children

By Keith B. Richburg

Washington Post Service

MOGADISHU, Somalia — U.S. helicopter gunships opened fire with cannon on Somalis, including many women and children, and very likely inflicted heavy casualties, after U.S. officials said the Somalis used grenades and small arms to attack Pakistani and U.S. troops who were trying to retreat from the scene of a battle with Somali guerrillas.

Major David Stockwell of the U.S. Army, the chief U.S. military spokesman here, said two U.S. Cobra helicopters opened fire with heavy 20mm guns when women and children joined heavily armed militiamen in throwing grenades and firing weapons at United Nations troops.

He said another group of women and children began gathering at a roadblock, threatening UN troops and also throwing grenades, and the Cobras fired down the center of the road to disperse them, but did not fire into the people.

In late-night briefings, Major Stockwell offered two widely different versions of exactly what occurred in the battle, during which it was clear that UN forces caught in an ambush found themselves outmanned and outgunned by the militia forces of the warlord, General Mohammed Farrah Aidid.

Initially, Major Stockwell said the Cobras fired into the crowds of women and children as they surrounded Pakistani troops in tanks and U.S. soldiers manning a bulldozer, as the soldiers were retreating from the afternoon battle.

That battle was one of the heaviest in the capital in several months, with Somali guerrillas destroying a Pakistani tank with a 106mm anti-tank round, then pinning down the UN troops with machine guns and grenades, killing a Pakistani and wounding two Americans.

Major Stockwell, in that first report of the incident, said the helicopter gunners decided to open fire on the women and children because "from their bird's eye view, it was apparent that the soldiers' lives were in danger."

"This was a last-ditch, last-resort effort," Major Stockwell said, defending what appeared to be a decision to fire from the air into a largely civilian crowd. "It's entirely possible that women and children could have been hit and killed."

He declined to give Somali casualty figures, but Somali sources reported seeing scores of bodies in the street where the battle took place, and said the death toll could reach 100.

Major Stockwell said General Aidid has in the past used women and children as human shields for his guerrillas to ambush UN troops, and in this case, the women and children "became combatants, armed or not."

In a first report, Major Stockwell called the incident "regrettable." But he later called back to journalists to say, "I'm not saying it wasn't regrettable — I just don't want to characterize it that way."

Major Stockwell said he expected that Somali guerrillas would try to gain propaganda points from the unprecedented U.S. action, but he added, "We were within our rules of engagement to use our 20 millimeters."

"I think they probably underestimated our resolve," he said. "They underestimated our rules of engagement and our willingness to use those."

But hours later, Major Stockwell

other recent incidents in which General Aidid's militiamen have used women and children as cover, posing a dilemma for UN troops.

On June 4, when two dozen Pakistani soldiers were killed in an ambush, women and children first closed in on Pakistanis at a feeding center while hidden gunmen opened fire from nearby rooftops.

On June 13, Pakistani troops drew widespread international outrage when they fired on women and children who were besieging their stronghold at a strategic city traffic circle. Pakistanis and UN officials insisted that guerrilla hidden in the crowd had fired first.

The incident Thursday was the first in which U.S. troops here have been confronted with this tactic.

The result seems likely to escalate calls from Congress and elsewhere for the Clinton administration to reassess its military commitment here, in a country where the United States has no strategic or economic interests, and where U.S. troops have come to be seen increasingly as belligerents instead of humanitarian peacekeepers.

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WORLD BRIEFS

U.S. Approves Drug for Alzheimer's

WASHINGTON (AP) — The Food and Drug Administration Thursday approved the first drug for the treatment of Alzheimer's disease. The drug, tacrine, is the first that has been shown to have any effect on the devastating symptoms of the disease.

"It is not a cure for Alzheimer's disease, but it provides some relief for patients and their families," Commissioner David A. Kessler said.

The drug is expected to help patients with mild to moderate cases. Alzheimer's slowly deprives its victims of their memory and ability to reason. The cause is unknown. Warner-Lambert Company, of Morris Plains, New Jersey, will sell tacrine under the brand name Cognex.

Top Yeltsin Aide Cautions on Kurils

TOKYO (Reuters) — Gennadi E. Burbulis, a senior adviser to President Boris N. Yeltsin and a former Russian secretary of state, said Thursday that Japanese pressure to return the four Russian-held Kuril Islands might abort Mr. Yeltsin's proposed visit to Tokyo, Kyodo news agency reported.

He said it was important for Japan to hold back on one or two "specific problems" if the president's October visit was to go ahead as planned. The agency said he did not elaborate. Over the past year, Mr. Yeltsin has twice postponed a promised official visit to Tokyo, to Japan's irritation.

Earlier, Japan had cautiously welcomed Mr. Burbulis's remarks, made in a Tokyo seminar, that Russia eventually would return the four disputed islands to Tokyo. A Foreign Ministry official said Tokyo would take Mr. Burbulis's earlier remarks as a good sign.

Prime Minister of Ukraine Resigns

KIEV (Reuters) — Prime Minister Leonid S. Kuchma resigned on Thursday, saying attacks on his policies had made it impossible for him to introduce market reforms in post-Soviet Ukraine.

Mr. Kuchma's decision cast Ukraine's institutions further into confusion after months of paralysis caused by power struggles and indecision. Twice in the last four months, he said that he was quitting, but was persuaded to stay on by parliament and President Leonid M. Kravchuk.

This time his departure, which must be approved by parliament, appeared to be final.

"There is no legislative or other real possibility to halt the negative factors in the economy," he said in a statement to his cabinet, "and unjustified accusations are still being made against the government."

Moscow Talks on Armenia Incursion

MOSCOW (NYT) — Tansu Ciller, Turkey's new prime minister, talks here Thursday in a flurry of diplomatic efforts as the 5-year-old conflict between Armenia and Azerbaijan threatened to draw in Turkey, Iran and Russia.

Her two-day visit followed on a call from the Azerbaijani leader, Geidar Aliyev, and it coincided with publication of a letter from Secretary of State Warren M. Christopher expressing "great concern" over developments in the conflict and urging Armenians to adopt "a more constructive approach" toward its resolution.

The catalyst for the activity was a steady advance by Armenians who have already taken control over virtually all the disputed territory of Nagorno-Karabakh and have been driving steadily into Azerbaijan itself. Armenians are now said to control almost a fifth of Azerbaijan's territory.

With the Azerbaijani Army no longer capable of any real resistance, the drive has churned up a tide of refugees — about 1.7 million by some estimates — and has set off alarms in neighboring Turkey and Iran.

Kasparov-Short Match Ends in Draw

LONDON (AP) — Garry Kasparov and Nigel Short played to a draw in Game 2 of their breakaway chess championship Thursday, as the challenger again appeared unsettled by the clock. Mr. Short, playing white, built up an early advantage but it slipped away when both players ran up against the two-hour limit for finishing 40 moves. Mr. Kasparov leads the 24-game match, 1½ to ½. The third game is Saturday.

The time limit, compared to the normal 2½ hours in championships, was set by the Professional Chess Association, the rebel organization that Mr. Kasparov and Mr. Short founded for this match. Mr. Short lost the opening match Tuesday when he completed only 39 moves.

FIDE, the international chess federation, is sponsoring its own championship in the Netherlands, between Anatoli Karpov and Jan Timman. A draw in that match Thursday left the two players tied at 1½.

Cuba Allows More Private Enterprise

HAVANA (Reuters) — Cuba took another cautious step Thursday toward establishing a mixed economy when its Communist government authorized limited, individual private enterprise in a wide range of trades, crafts and services.

The ground-breaking move, announced in a decree signed by President Fidel Castro, effectively lifted the long-standing virtual state monopoly of production, employment and sales on the Caribbean island.

A range of more than 100 trades and services was declared open to individual, private enterprise. These included taxi drivers, mechanics, plumbers, carpenters, painters, hair dressers, shoemakers, cooks, dentists, craftsmen, farm products salesman and computer programmers.

For the Record

General Gnassingbé Eyadéma, Togo's longtime ruler, was proclaimed winner Thursday of a widely opposed presidential election. The Supreme Court released official results of the Aug. 25 ballot that showed General Eyadéma, who has been accused of numerous human rights abuses, winning 96.42 percent of a vote. Turnout was just under 40 percent. (AP)

TRAVEL UPDATE

Virgin Air Pursues Hong Kong Slot

Virgin Atlantic Airways says it is continuing discussions to fly into Hong Kong as planned early next year despite fundamental disagreement over the departure slot it has been allocated at the city's Kai Tak airport.

The Hong Kong airport authorities have offered Virgin a slot that would get business travelers to London at 3 A.M.

"It is still very much our intention to fly to Hong Kong," an airline spokesman said. "But clearly if we don't get the commercially viable slots, at the Hong Kong end, it makes it difficult for us to operate a service that we can offer to the business traveler." The spokesman said that the negotiations were continuing "with a view to starting the service in February 1994 as planned."

American West Airlines fired the first shot Thursday in a new round of U.S. airline industry fare wars, cutting fares up to 30 percent for passengers traveling through Dec. 15 on domestic flights who purchase their tickets at least 14 days in advance. The move was quickly matched by Delta Air Lines and United Air Lines.

A new model of Japan's high-speed train set a speed record Thursday of 363.8 kilometers per hour (225.6 miles per hour) in tests on a line between Tokyo and Niigata, East Japan Railway announced in Tokyo. The train, the Star 21, is scheduled to go into service in 1995.

Swedish drivers will be allowed to have even less alcohol in their blood from next year, and offenders will go to jail automatically under a bill approved by the government Thursday. The previous alcohol limit was 20 milligrams of alcohol per 100 milliliters of blood, or 0.2 promilles. The new level will be 1.0 to 1.5 promilles. (Reuters)

De Klerk Links Killings To Rival Black Groups

Compiled by Our Staff From Dispatches

PRETORIA — President Frederik W. de Klerk on Thursday condemned the killing of 25 people in massacres near Johannesburg, implicitly blaming the African National Congress and the Inkatha Freedom Party for the violence.

Mr. de Klerk said that 30 detectives had been assigned to investigate the killing of 21 people Wednesday in the Wadeville industrial area near Johannesburg and of four people hours later in two incidents in nearby settlements. He said 250 extra soldiers and policemen had been deployed in the area.

Mr. de Klerk said the massacres, which the police called "well-planned and cold-blooded," appeared to be linked to the fighting between supporters of the ANC and the Zulu-based Inkatha Freedom Party.

"Preliminary indications point to a political motive for these latest atrocities, which appear to be linked to the current cycle of intolerance, intimidation and conflict involving supporters of the IFP and ANC in the east Rand," he said.

The United States hailed the South African accord Wednesday but said it would not lift remaining sanctions against Pretoria until the ANC formally requested that they be lifted. (AP/Reuters)

Clinton Tells Bosnia Leader Not to Count on U.S.

By Thomas L. Friedman

New York Times Service

WASHINGTON — President Bill Clinton has told Bosnia's president that he should go back to the bargaining table and out the best deal he can because Washington is not coming to the rescue, officials said.

President Alija Izetbegovic came to the White House on Wednesday to appeal to Mr. Clinton to set a deadline for the use of force against

the Bosnian Serbs if they did not lift their siege of Sarajevo, the Bosnian capital.

Mr. Clinton explained that Washington was willing to use diplomatic and economic sanctions to keep the pressure on the Serbs and Croats to be more conciliatory at the bargaining table, aides said. But he added that there was simply no support among the Western allies for an armed intervention in Bosnia at this time and that Washington was not inclined to go it alone, the officials said.

Mr. Izetbegovic reportedly told Mr. Clinton that his big worry was that even if he did return to the peace talks in Geneva and Serbs — something he was not sure he could sell politically at home — the Western allies would not come to support its provisions, and he would be left on his own.

According to the officials, Mr. Clinton said he was still committed "in principle" to contributing American troops to monitor a Bosnian peace settlement, provided that it was a fair, enforceable deal. But he and Secretary of State Warren M. Christopher also cautioned that such an American commitment would have to be approved by Congress, which would not be easy.

Before the talks began, Mr. Clinton said at a news briefing that he would seek the approval of Congress before agreeing to let American troops take part in a peacekeeping force for Bosnia — the first time he had made such a pledge.

He also stressed that such peacekeeping forces would have to be under NATO command and not under NATO command and not the United Nations control. Because the top commander of the North Atlantic Treaty Organization is an American general, NATO control

would avoid the confusion of command and control that has arisen in Somalia, where American troops are serving under UN command, aides said.

"If we can get the Congress to support it, I think we should join in," Mr. Clinton said during an Oval Office picture-taking session with Mr. Izetbegovic. "It has to be able to be enforced or guaranteed by a peacekeeping force from NATO, not the UN, but NATO."

Aspin Cancels Trip
Defense Secretary Les Aspin has canceled plans to visit Sarajevo next week because of the delay in peace talks on the civil war in Bosnia, news agencies reported from Washington.

Kathleen deLaski, a Pentagon spokeswoman, said Mr. Aspin might make the trip later.

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TODAYS REAL ESTATE MARKETPLACE

Appears on Page 4

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STATESIDE / SERVING THE COUNTRY

Clinton Plan On Service Gets Final Senate Nod

By Helen Dewar
Washington Post Service

WASHINGTON — The Senate has given final approval to legislation creating a national service program, enabling President Bill Clinton to claim fulfillment of one of his most popular campaign promises.

Although it falls short of a more ambitious initiative outlined by Mr. Clinton in his campaign, supporters said the \$1.5 billion authorization for college aid in exchange for community service was sufficient to get the program off to a healthy start over the next three years.

Mr. Clinton hailed the Senate's action, calling the bill a "landmark piece of legislation" that provides "yet another opportunity for change for the American people."

About 100,000 students are expected to receive educational grants of up to \$9,450 through 1996 for performing two years of community service in tasks ranging from assisting teachers to working on environmental cleanup. The government would pay subsistence-level living costs while the students worked.

The White House anticipates that community service jobs authorized by the legislation will start being filled by next summer. About 20,000 participants are expected the first year.

The Senate approved the final version of the bill late Wednesday by a vote of 57 to 40, with six Republicans, mostly moderates, joining all but four Democrats in support of the legislation.

The bill cleared the House on a vote of 275 to 152 before Congress adjourned for its August recess, but the Senate vote was delayed when Republicans, who had earlier filibustered the measure, balked at Democratic efforts to whip the bill through before the recess.

Although passage of the bill was a foregone conclusion after the filibuster was broken, Republican critics continued to criticize the bill as an unnecessary expansion of government that flies in the face of the Clinton administration's just-unveiled plan for cutting, consolidating and reorganizing the federal bureaucracy.

"One day after we talked about reinventing government," said Bob Dole of Kansas, the Republican leader, "we have a whole new program on the Senate floor. No wonder the American people are confused."



With David Letterman on his "Late Show," Vice President Al Gore made the case for streamlining government, mockingly demonstrating the official method of testing what is referred to in a government list as "ash receiver, tobacco (desk type)."

Watch Out David and Jay, Here's All!

NEW YORK — If the conventional wisdom in politics is that Vice President Al Gore needs to lighten up, it is hard to think of a better place to start than the "Late Show" with David Letterman.

Never mind the risk of losing a little dignity by mixing it up in the decidedly wacky atmosphere of late-night U.S. television. Mr. Gore tried to shed his stiff upper-body image on Wednesday night, and it almost worked.

The timing was good: On Tuesday, Mr. Gore and President Bill Clinton released their plan on how to streamline the government.

On Wednesday night, Mr. Gore poked fun

at the plan and at himself. He told jokes, he got laughs and he even brought a Top 10 list — of good things about being vice president. (No. 4: You don't have to be funny to get invited on the Letterman show. No. 2: You don't have to be a good speller to get the job.)

Yet for all the effort to be a regular guy, he looked as stiff as ever, and he started by sitting down with his pin-striped gray suit jacket still buttoned, a mistake he corrected. Perhaps his biggest challenge in appearing on the program was opening himself to the inevitable barbs from the always sharp, often caustic host.

"So, have you fixed the government?" Mr. Letterman asked mockingly. The vice presi-

dent laughed nervously and took a moment before answering. "It certainly needs it."

But he got a chance to come back moments later, catching the late-night host using — and mispronouncing — the word "implementation."

"Beg pardon?" the vice president asked, deadpan. "What was that word?"

Mr. Gore later used the word effortlessly. Mr. Gore did not miss the chance to plug the administration's case for improving government efficiency and tried to do so light-heartedly, demonstrating the official method of testing what is referred to in a government list as "ash receiver, tobacco (desk type)," by breaking it and counting the pieces.

Wary Germans Deciding to Skip Miami

BONN — Dieter Jeschke, a travel agent, tried to give Miami a good sales pitch. But his customer was no more inclined to fly there than to Sarajevo.

German travel offices said Thursday that they were doing what they could to rescue Florida's reputation, after a honeymooning German engineer was shot and killed while driving with his pregnant wife from Miami airport.

Mr. Jeschke, manager of the Westours agency in Bonn, said a customer on Wednesday booked a trip to the United States and specified that he wanted to avoid Miami.

"The customer plans to fly on Oct. 1, going to Florida later on

but skipping Miami," Mr. Jeschke said. The reason was the slaying on Wednesday of Uwe-Wilhelm Rakebrand, the fourth German murdered in Florida in 10 months.

"Some customers are jittery about going there," Mr. Jeschke said. "Ticket sales to Miami have fallen over the past few months, but I don't know by how much."

More than 400,000 Germans travel to Florida each year, 250,000 of them to the Miami area.

The German newspaper Bild described the last moments of Mr. Rakebrand, who was shot to death in a rental car while his wife held a pamphlet advising tourists how to avoid precisely what was about to happen to them.

The assailants used a van to ram the rented Toyota and then shot Mr. Rakebrand through the car's rear window.

Bild said Mr. Rakebrand's wife screamed, "For God's sake, keep driving" as the bullet struck him in the back. "He screamed with pain, and stepped on the gas because he wanted to save his wife. He was able to drive two kilometers and then collapsed at the wheel."

Bild quoted Mrs. Rakebrand as telling the police that her husband "fell onto my lap."

She added, "The car raced into the opposite lane and collided with an auto. We landed on the guardrail."

Because of the murder, the Foreign Ministry may strengthen a warning about criminals near Miami airport.

Forgo New Tests of 'Abortion Pill,' U.S. Is Urged

By John Schwartz
Washington Post Service

WASHINGTON — The U.S. Food and Drug Administration should move quickly to evaluate the controversial "abortion pill" without additional testing in the United States, a scientific advisory panel has concluded.

The family of drugs that includes RU-486, often called the "morning-after pill" because it can terminate pregnancy for up to 72 hours after sexual intercourse, could prove important in treating a variety of illnesses, according to a committee of the Institute of Medicine, an advisory body to the National Academy of Sciences. The group's report, released Wednesday, urged a broad research agenda for the drugs, known as anti-progestins.

Leslie Benet, chairman of the pharmacy department of the University of California at San Francisco and chairman of the advisory committee, said RU-486 was "a very promising drug — not only for its primary use, for which it got a lot of publicity."

Because the drug has been tested extensively in Britain, France and Sweden, the panel suggested that previous clinical trials be submitted directly to the Food and Drug Administration to determine whether they met U.S. regulatory requirements, thus eliminating redundant U.S. clinical trials.

The panel said research suggested that anti-progestins, along with their uses in terminating pregnancy, might be a useful treatment for endometriosis, a disease of uterine tissue that causes pain and infertility in women. Studies have also suggested that anti-progestins shrink fibroid tumors — benign pelvic tumors that often must be surgically removed.

Meningiomas, nonmalignant but dangerous tumors in the membranes surrounding the brain, also seem to respond to treatment with anti-progestins.

Research also suggests that the drugs might be used to prepare the cervix for childbirth.

Congressional Pork Barrels May Be Hard to Streamline

By Clifford Kraus
New York Times Service

WASHINGTON — Although the Clinton administration's call to streamline government has produced sympathetic echoes in Republican and Democratic cloakrooms, members of Congress predict that many of their senior colleagues will be working behind the scenes to pick it apart.

No one in the House or Senate is daring to defend red tape. Congressional supporters of mohair and wool subsidies are lying low. And everyone is praising the administration objective of quickening tax refunds.

Besides, as many as 70 percent of the proposals offered by Vice President Al Gore on Tuesday do not require congressional action, such as the goal of slashing federal regulations in half and the recommendation to streamline procurement by buying more supplies from retail stores.

But as the individual proposals take shape, congressional enthusiasm is likely to cool. This is especially true when it comes to items like consolidating or closing more than 1,000 Agriculture Department field offices and dozens of local bureaus of the Housing and Urban Development Department and other agencies.

"With every one of these programs you are going to have to knock out benefits for somebody," noted Senator John Glenn, the Ohio Democrat who heads the Government Operations Committee. "That's not going to be easy."

Both Republican and Democratic lawmakers are sure to protect the programs that bring their states

jobs or services, which is, after all, part of their job. Western and Midwestern lawmakers, for example, will probably fight hard against a cut in subsidies that support rural airport service. And important committee chairmen fiercely protect the programs they enact and oversee.

Democrats are normally more disposed to back the president of their own party, but the Republicans appear more supportive on this issue.

Not only are the Republicans naturally more enthusiastic about reducing the size of government, but as members of the minority party they also have less patronage than the Democrats and are less reliant on the political good graces of organized labor, which represents many federal employees and often supports expanding the government.

With union membership declining in most sectors of the economy other than the government, Democratic lawmakers with strong labor ties are not expected to support administration proposals to cut thousands of government jobs or loosen restrictions on using non-union labor for many public works projects.

Additionally, several of the administration's proposals fly in the face of the long-held positions of powerful committee chairmen.

For instance, Senator Robert C. Byrd of West Virginia, a Democrat and chairman of the Senate Appropriations Committee, has promised to move mountains to stop the line-item veto, which is an important part of the administration plan.

And Representative William H. Natcher, the Kentucky Democrat who heads the House Appropriations Committee, is expected to deploy his considerable powers to stop an administration proposal to move the government from one- to two-year budget cycles, because it would reduce his panel's year-to-year authority.

"We all know that the toughest things in Washington are the turf wars," warned Senator William V. Roth Jr., a Delaware Republican who has praised the administration's intentions. "No committee likes their authority cut back."

Representative Charles E. Schumer of New York, chairman of the House Subcommittee on Crime and Criminal Justice, is a case in point. Though an avid supporter of the administration, the Brooklyn Democrat said he would oppose the plan to transfer many law enforcement functions of the Drug Enforcement Administration to the FBI.

"Fighting drugs needs focus and long-term follow through," Mr. Schumer said, adding that the FBI had not demonstrated sufficient commitment in the war on drugs in the past.

POLITICAL NOTES

NAFTA Takes Backseat on Clinton's Agenda

WASHINGTON — President Bill Clinton's plan to make a personal sales pitch on behalf of the troubled North American Free Trade Agreement has been put on hold until late this autumn as he prepares for the fight over health care that his advisers have judged to be more critical to his long-term political health.

The trade agreement has accumulated an unenviable list of enemies in the labor and environmental movements, among Democratic leaders in Congress and among the supporters of Ross Perot and Ralph Nader.

So instead of raising the fight on behalf of the trade accord to the same fever pitch of publicity that he has reserved for issues such as his economic package, his plan to streamline government and his overhaul of the nation's health care, Mr. Clinton is taking a quieter approach.

And Mickey Kantor, the U.S. trade representative, said in an interview that political reality might force the administration to stretch beyond a Jan. 1 target date for putting NAFTA into effect.

"Timing is one thing," he said. "Having the votes is another. They may or may not have any effect on each other." (NYT)

Good News and Bad News on the Budget

WASHINGTON — The Congressional Budget Office said Wednesday that the nation's deficit picture had brightened substantially since winter, and it credited President Bill Clinton's recently adopted budget plan for much of the change.

But the office, the budgetary arm of Congress, concluded that projected savings under the legislation would fall about \$63 billion short of the \$496 billion of aggregate deficit reduction over five years claimed by congressional Democrats and the administration. The difference is due largely to disputes over accounting methods.

In an update of its Economic and Budget Outlook, the office said the deficit would shrink from last year's record \$290 billion to \$266 billion for the fiscal year ending Sept. 30 and to \$253 billion in fiscal 1994. After that, it is likely to hover around \$200 billion a year from 1995 to 1998. (WP)

Quote/Unquote

Senator Daniel Inouye, Democrat of Hawaii, while heading a subcommittee meeting: "If I look a bit flustered, I hope you'll understand. I'm testing a new high-tech communications system — a hearing aid. I'm hearing sounds I've never heard before." (WP)

Move to Cut Funds for Old and Poor Puts Health Plan at Risk

By Robert Pear
New York Times Service

WASHINGTON — White House officials have told Congress that President Bill Clinton's health plan will be financed in part by squeezing \$124 billion from the projected growth of Medicare and \$114 billion from Medicaid over five years, lawmakers and their aides said.

The administration's plans, disclosed in a whirlwind round of briefings on Capitol Hill this week, dropped the White House squarely into politically hazardous territory only two weeks before the president is to unveil his health care initiative.

Medicare, which serves 36 million elderly and disabled people, is one of the government's most popular programs, and politicians who even suggest trimming it have often paid dearly. So the idea of including Medicare cutbacks as a central component of a new national health program immediately raised doubts on Capitol Hill about

whether the White House was serious in its pledge to propose a reliable method of financing its proposals.

After the briefings this week, congressional experts who work on health policy expressed two reactions: amazement at the complexity of the president's plan and apprehension that the proposed cutbacks in Medicare and Medicaid were politically unrealistic.

Without a reliable means of financing, the government would be forced to reduce the size of the proposed health program, raise taxes or borrow more money and thus increase the federal debt.

"The Clinton administration has relied too heavily on cuts in Medicare and Medicaid to finance changes in the rest of the health care system," said Representative Henry A. Waxman, chairman of the House Energy and Commerce subcommittee on health and the environment.

"It's going to be politically unacceptable, and I don't think the fi-

nanancing proposal is very realistic," the California Democrat said in an interview. "I don't think they can make cuts of that magnitude without doing harm to Medicare and Medicaid and the people those programs serve."

The administration says such concerns are unfounded, noting that Americans of all ages would be receiving new health care benefits under the Clinton plan. "It's absurd to suggest that anyone here would promote a policy that would harm Medicare or Medicaid beneficiaries," said Ira C. Magaziner, the health policy coordinator at the White House.

Mr. Clinton intends to unveil his proposals in a speech to Congress this month. In the briefings to lawmakers this week, White House officials explained that they were counting on savings of \$238 billion in Medicare and Medicaid, the programs for the elderly, disabled and poor, from 1996 through the year 2000. Those savings amount to 12 percent of the \$1.9 trillion that the

government would otherwise be expected to spend on Medicare and Medicaid in those years.

The savings would far exceed the revenue the administration expects to get for the health program from "sin taxes": \$105 billion from increased taxes on cigarettes and perhaps on some alcoholic beverages. Administration officials told Congress that Mr. Clinton had not de-

ecided whether to propose new taxes on alcohol.

Federal spending on Medicare rose 13 percent last year, to \$129 billion, while Medicaid grew 29 percent, to \$68 billion.

But the political difficulty of curbing these programs can be judged from the battle over the budget bill that Mr. Clinton signed Aug. 10.

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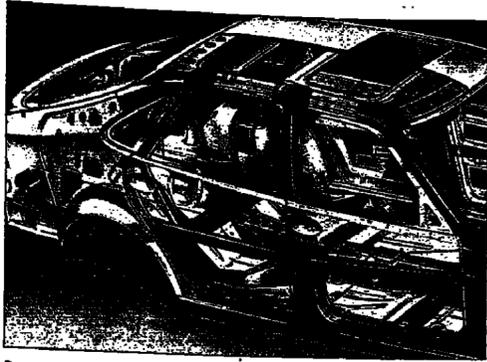
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REACHING FOR PEACE / 'ONLY OPTION WE'VE GOT'

Some of the Exiles Arrive Back in Israel

By Joel Greenberg
New York Times Service

JERUSALEM — Nine months after it expelled more than 400 accused Islamic militants to Lebanon, Israel returned nearly half of them Thursday, raising concerns among Israeli officials that they would fuel opposition in the occupied territories to an accord on Palestinian self-rule.

The returning deportees are reputed members of Hamas and Islamic Jihad, groups that are vehemently opposed to peace with Israel and reject the self-government plan.

Buses carrying 181 Palestinians, their windows painted white, crossed into Israel from southern Lebanon, where the deportees had been living since last December in a tent camp just north of Israel's self-declared "security zone."

Israeli officials said the Palestinians would be taken to detention centers for questioning. Those suspected of violence or who had been serving jail terms before the deportation will remain in prison, while the rest will be released over the next few days, officials said. The security authorities have sought to avoid a mass release to prevent street demonstrations by supporters of the returning Palestinians.

Expelled on Dec. 17 for periods of 18 months or 2 years, depending on the charges against them, the

deportees had been accused by Israel of being fund-raisers, organizers and political and religious leaders of Hamas and Islamic Jihad.

In February, Israel agreed to return 101 deportees and to halve the expulsion period of the rest. It was part of an agreement with the Clinton administration to stave off UN sanctions and to help restart the Middle East peace talks, which had been broken off by Arab negotiators after the expulsions.

The deportees originally rejected the offer, but accepted it last month, citing dwindling interest in their cause and their failure to prevent a resumption of the talks. About 200 deportees remain in Lebanon. They are to return in December.

Although Israel felt it had to abide by its commitment to bring the deportees home, it was not happy about it. Mordchai Gur, deputy defense minister, said their return might "breathe new life" into militant Islamic groups and set off unrest in the occupied territories.

"At a time of negotiations, this return is not convenient," he said. "However we are taking every measure to reduce the risk involved in bringing them back."

The deportees had been sent into exile after five Israeli soldiers were killed in December and Hamas claimed responsibility for the attacks.

On the West Bank, a Distant Dream Is Finally Coming True

Washington Post Service

JENIN, Israeli-occupied West Bank — Sabreit Abu Farha could hardly be heard over the din in the yard of the Jenin Boys Preparatory School, where the student marching band was making a clamorous entrance under the Palestinian flag of green, white, red and black.

"I'm not a politician," said Mr. Farha, 55, the headmaster of the aged school in a Palestinian refugee camp. "But all the steps point to a Palestinian state, maybe in three years. It must happen."

Only a month or two ago, most Palestinians inside the West Bank and Gaza Strip would have scoffed at his prediction. After 26 years of Israeli occupation, the idea of a state seemed to be a distant dream. Over the last five and a half years of the Palestinian uprising, or *intifada*, even the display of the Palestinian flag was considered an offense by the Israelis.

But the Palestinian flag was now flying unfettered in the courtyard — and from the rooftop and the podium. Posters of Yasser Arafat, chairman of the Palestine Liberation Organization, were everywhere. And this time there were no Israeli soldiers in sight.

The tableau in the schoolyard illustrates the surge in hope that has spread throughout the West Bank and Gaza Strip in the week since Israel and the PLO unveiled a secret agreement for Palestinian self-government. Even though it falls far short of statehood, Palestinians have been told by their leadership that it will lead to statehood, and they believe it. Even though the agreement starts with limited self-rule in poor Gaza Strip and the West Bank town of Jericho, Palestinians have seized on it as the beginning of something.

"It's a good agreement and the only option we've got," said Fouad Rouam, a 23-year-old student at Bir Zeit University, at another rally there for supporters of the agreement. "In the future it gives us an ambition to establish a state. This is the only chance given to us to make peace with the Israelis, and also it's the same chance for the Israelis."

"During the intifada, both nations lived in confusion and without aims. And this agreement gives us some room to

solve the problem," he said. "It's good for both of us. It's a good start, and it's better than continuing the way we were."

After the Madrid peace conference in October 1991, Palestinians were buoyed by a swell of expectations, only to be disappointed when the negotiations

tion and the establishment of a government headed by the PLO with elections to follow in nine months.

In both the West Bank and Gaza, the agreement has been greeted by enthusiastic rallies sponsored by Faiah, the leading faction inside the PLO. A few protests called by Hamas, the militant Islamic movement, have been poorly attended.

The Palestinians have been through a series of punishing economic setbacks in the last few years that crushed expectations for improvement in their day-to-day lives. The expulsion of 300,000 Palestinians from Kuwait cost families in Gaza and the West Bank hundreds of millions of dollars in lost remittances each year. The Israeli closure of the territories to Palestinian workers, which remains partly in effect, slashed incomes even more. The deteriorating financial condition of the PLO and the stalled peace talks in Washington had created a gloomy outlook.

But in the last week, those worries have seemed to melt. Both Israel and the Palestinians, as well as European countries, are talking about a massive economic

development program to lift standards of living and create jobs. The first year of the Gaza-Jericho plan could bring some relief to many Palestinians whose economic situation has been strained. At the same time, Palestinians will be thrust into elections throughout the territories which, some say, will also lead to a sense of taking control of their own future.

"Two years ago, people could only talk about peace," said Naef Swetaat, an activist in Fatah who spoke to the Jenin rally. "Now it is happening on the ground, and the PLO can take part and actually represent the Palestinians."

"When we first heard the news it was like a dream, and people could not comprehend it," said Zakaria Tarifi, a Fatah activist. "But they realize now that Israel is really talking to the PLO and it means a lot — it means a Palestinian state."

Actually, the agreement does not go that far. It will set up an interim Palestinian government that will be put immediately in control of the Gaza Strip and Jericho, and later will expand its authority in the West Bank, excluding the Jewish settlements. — DAVID HOFFMAN

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'This is the only chance given to us to make peace with the Israelis.'

Fouad Rouam, University student



A deportee kissing the ground in Israel's self-declared security zone in Lebanon as militiamen called others forward for return to Israel.

PEACE: Mutual Recognition Pact

Continued from Page 1

next week, it could radically change not only the conflict between Jews and Palestinians but also the political map of the Middle East. Some Arab countries are also reportedly preparing to recognize Israel. Foreign Minister Shimon Peres said Thursday that Israel was close to an agreement with Jordan.

Mr. Rabin told members of the Israeli Knesset, or parliament, from his Labor Party that the whole negotiation with the PLO "gave me stomach problems, but I came to the conclusion there was no Palestinian partner other than the PLO."

He added: "You make peace not with friends, but with enemies. I'm not trying to beautify the PLO — they were an enemy, and they continue to be an enemy."

The documents immediately came under fire in Israel, where an opposition Likud member of parliament, Ariel Sharon, charged that Mr. Arafat had killed more Jews than anyone except for Hitler. Rightist protesters continued to hold demonstrations outside the prime minister's office.

■ Arafat Awaits Invitation
Mr. Arafat said he would attend the signing of the self-rule agree-

ment in Washington if he was invited by President Clinton, Reuters reported from Paris, quoting French television.

"I would like to be there," he told Antenne-2 in a telephone interview from Tunis. "It will depend on the invitations we will receive from the White House."

In Washington, Hanan Ashrawi, spokeswoman for the Palestinian delegation to the Middle East peace talks, urged Israel to prove that peace was real by lifting a six-month-old closure of the West Bank and Gaza and releasing prisoners.

Israelis Permit Burial Of PLO Aide in Nablus

AMMAN, Jordan — The body of the PLO representative in Spain was scheduled to arrive in the Israeli-occupied West Bank on Thursday after Israel approved burial in his hometown.

A PLO official in Amman said the burial of Issam Kamel Salem in Nablus would be the first of a PLO official that Israel has allowed. Mr. Salem, 55, died this week in Madrid from natural causes. His body was flown to Amman on Wednesday.

PITFALLS: A Question of Speed

Continued from Page 1

leaders, as well as a possible backlash by diehard Israeli settlers.

"If this agreement is to stick," said Sir John Moberly, a consultant to the Middle East research program at the Royal Institute of International Affairs, "then there has to be some feeling that peace is going to bring practical dividends in terms of better chances for jobs, training, education and so on."

"In Gaza, in particular, is there going to be a willingness on the part of the Israelis to allow more people to go and work in Israel in the way they used to?" he asked. "Because where else are the Palestinians going to get results in a hurry?"

In Amman, Palestinian officials said the PLO will propose an \$11.6 billion development plan for the West Bank and Gaza Strip that amounts to an economic blueprint for a future Palestinian state, according to Reuters.

ians to renounce the intifada, she said the real challenge is how to redirect the uprising into a positive struggle for jobs, businesses and a future.

Following formal recognition, the two sides are expected to sign an agreement in Washington on Monday.

In a second stage, a Palestinian Council will be elected within nine months to govern the West Bank and Gaza for a five-year interim period. The council would control Palestinian police, utilities and welfare agencies.

The experts said the coming nine months or so until the council is elected is certain to be dangerous as Palestinians try to fix an economy wrecked by 26 years of military occupation. At the same time, they may have to face a possible terrorist campaign against moderate



A family of 7 were travelling from Europe through Asia on holiday. They wanted to stop in 9 cities in 21 days using family budget hotels all the way. The elder son, who ate only vegetarian meals, wanted to spend two days in Kathmandu, so he'd skip Yangon and catch up with them in Kuala Lumpur — except for Dad, who was flying straight on to Singapore for a meeting. Oh yes, and he was on a strict, low cholesterol diet. We managed to seat them all together when they flew and ensured their special meals were still sumptuous, except for young Christopher's, who hadn't cut his first tooth yet. Singapore Airlines Ground Services. We're with you all the way.

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REACHING FOR PEACE / 'HUGE DEVELOPMENT'

Clinton to Resume Dialogue With PLO to Facilitate Pact

WASHINGTON — President Bill Clinton will resume an American dialogue with the Palestine Liberation Organization in order to pave the way for a White House signing on Monday of the Israeli-PLO agreement, a congressional aide said Thursday.

The administration informed congressional leaders of its intent to renew the dialogue with the PLO, which was suspended in 1990 over a terrorist attack on an Israeli beach.

Mr. Clinton had planned to make the announcement in a White House ceremony later Thursday, officials said. But he canceled the announcement because Prime Minister Yitzhak Rabin of Israel had not yet signed a deal for recognition of the PLO, White House officials said.

"The president believed he'd be jumping the gun by making a statement before Rabin had signed the agreement," a White House official said.

Earlier Thursday, Mr. Clinton told reporters in Cleveland: "If the PLO statement today meets the criteria we have repeatedly set down — renouncing terrorism and acknowledging Israel's right to exist — then we will resume our dialogue with them, and we'll go forward from there."

He did not say if that meant the United States would give formal recognition to the PLO.

Mr. Clinton hailed the agreement between the Palestine Liberation Organization and Israel on mutual recognition.

"I am extremely happy that this finally happened," he said after talking by phone from Air Force One with Prime Minister Rabin.

The president described the agreement as a "huge development" toward peace in the Middle East.

He said the United States would help to carry out the historic peace accord that is expected to follow mutual recognition.

"This is a very brave and courageous thing that has been done," he said upon arrival in Cleveland, where he was promoting his plan to overhaul the federal bureaucracy. "I hope they can keep this process going."

Although the breakthrough between Israel and the PLO took place in secret diplomacy largely conducted in Norway and outside U.S.-sponsored formal peace talks in Washington, Mr. Clinton denied that the United States had been out of the process.

"We were aware in the most general terms of what was going on in Norway," he said. "But we didn't know the details, nor should we have known."

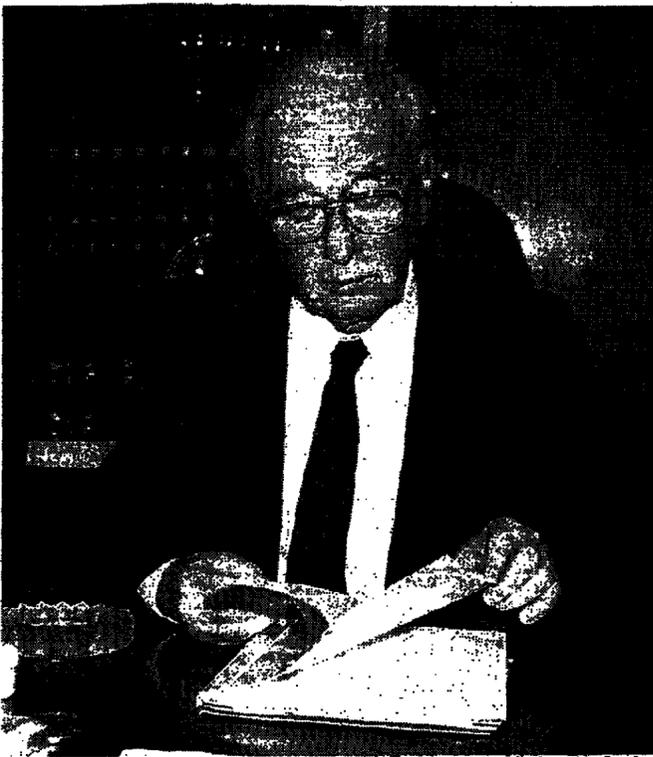
"Our job was to keep these talks going," he said.

Mr. Clinton emphasized that the United States would play a role in helping to carry out the accord, including the financing of economic reconstruction in the impoverished areas to be turned over to PLO administration.

"They have reached a general agreement," he said, "but the process of implementing it will be quite complicated and we expect to be closely involved in the process all along the way."

"There's a lot of economic reconstruction that has to be done. I believe we'll do our part."

In Paris, the French foreign minister, Alain Juppé, hailed the agreement and pledged that the European Community would give political and economic support to Arab-Israeli peace. (Reuters, AP)



Prime Minister Rabin reading the final draft of the self-rule agreement in Jerusalem on Thursday.

Jordan Readying Israel Agreement

By Chris Hedges
New York Times Service

AMMAN, Jordan — Jordanian officials said Thursday that they would conclude an agreement with Israel — intended to lead to a peace treaty ending 45 years of hostility — "hours" after the Palestinians sign their own accord with Israel.

"We have not announced a final approval on this yet," said Prime Minister Abdul-Salam Majali. "We are waiting now to see what the Palestinians are going to announce officially."

But senior Jordanian officials said the government had resolved any impediments to an agreement weeks ago and were only waiting for the Palestinians to formalize their own arrangement.

"We have delayed any agreement with the Israelis because we were waiting for the Palestinians to sign," said a cabinet minister.

The officials cautioned that the hasty creation of an autonomous Palestinian enclave, as envisioned by Palestinians and Israelis, could unleash violence in the West Bank and Gaza Strip that could spill over into Jordan and threaten the Hashemite dynasty.

Crown Prince Hassan said that the government, headed by his brother King Hussein, was concerned about "stability in Gaza." He warned that Jordan "cannot ignore instability or chaos in the neighboring areas."

The Jordanian agreement with Israel would permit the two countries to begin negotiations on water

resources, border disputes, Palestinian refugees and arms control, including the destruction of non-conventional weapons, officials in Amman said.

The aim of such talks, these officials said, would be to establish diplomatic relations and a peace agreement.

"There is so much to talk about," said a cabinet minister. "There is so much to achieve, so many issues such as water use, borders and mutual security arrangements. And then we cannot get ahead of the Palestinians, who have five years to work out their own arrangement with the Israelis. But clearly a huge psychological barrier has been broken."

The decision to create a Palestinian entity in the Israeli-occupied Gaza Strip and West Bank town of Jericho will foster momentous changes in Jordan, more than half of whose citizens are of Palestinian origin, these officials said.

Many in the government see the move toward an agreement as a mixed blessing. The accord ends any hope Jordan once had of moving back into the West Bank and Jerusalem. Amman administered the West Bank after Israelis captured it in 1967, but withdrew its civil administration in 1988. The officials here also fear that if Yasser Arafat, the PLO chairman, fails to impose order over the unruly Palestinian factions it could prove destabilizing in the long run to both Israel and Jordan.

RESHAPE: A Transformation of Maps and Minds

Continued from Page 1

and the embodiment of the Israeli citizen-soldier, has done its part to draw just the opposite lesson from the Holocaust experience," said Mr. Ezerhi. "That lesson is that having power allows you to move in the direction of compromise. Power allows you to reshape your own future, not just hunker down."

"Rabin did not want to preside over another epic chapter in Jewish history where the Jews die in the end as heroes," he added. "He opted instead for the sort of gray compromise that makes life possible. It is a triumph of Palestinian and Israeli middle classes over their own histories. Now they will each have to cooperate to deal with their respective extremists."

Indeed, for the Arab world, the psychological impact of this event cuts equally deep. Two generations of Arabs have grown up with the conflict with Israel. It has been for many the prime political fact in their lives and now it is beginning to be taken away.

"It is truly the end of something," said Fouad Ajami, a Middle

East historian. "For years, generations of Arabs were told that there can be no democracy, because of the struggle with Israel, there can be no development, because of the struggle with Israel. Israel was the great abibi of Arab political life and now it is being taken away by the very men who were the keepers of the flame."

Others will be threatened not so much because this agreement contains the seeds of so much change, but because it will not change enough. That is particularly true for the Palestinians.

This mutual recognition, coupled with the agreement on Palestinian self-rule in the Gaza Strip and Jericho, is certainly good news for the 800,000 Palestinians living in Gaza and the few thousands living in Jericho. Eventually, the 900,000 Palestinians living elsewhere in the occupied West Bank should also get self-rule. But there are roughly another 3 million Palestinians living around the world — from the refugee camps of Lebanon to the high-rise apartments of Jordan.

It is not clear what this accord

holds for them. There is limited space in Gaza and Jericho for them, and now that the PLO has recognized Israel's right to exist within its pre-1967 war boundaries, even the dream of some of these people to return to their homes in Israel has now seemingly been relinquished.

Consider just a few of the implications. To begin with, the most pro-American Arab governments, like those in Saudi Arabia, Morocco, Kuwait and the other Gulf states, have long been on the defensive in Arab circles because of their relationship with the United States, Israel's patron and protector. If the PLO is now recognizing and accepting Israel, then these countries will no longer have anything to apologize for in being friendly with Israel's friends in Washington.

But this will also complicate life for the Saudis. Because, if the PLO can recognize Israel, why can't Saudi Arabia? But is King Fahd, keeper of the Muslim holy places of Mecca and Medina, ready to sell that to his own Muslim clerics? If not, what will he say to the United States?

Text of Arafat and Rabin Letters on Recognition

The Associated Press
Following is the text of letters exchanged between Yitzhak Rabin, prime minister of Israel, and Yasser Arafat, chairman of the Palestine Liberation Organization, that detail mutual recognition. A third letter, from Mr. Arafat to John Jorgen Holst, foreign minister of Norway, who mediated the accord, details a public statement that Mr. Arafat plans to make calling for an end to violence. The texts were released by Mr. Rabin's office in Jerusalem.

Mr. Prime Minister:
The signing of the Declaration of Principles marks a new era in the history of the Middle East. In firm conviction thereof, I would like to confirm the following PLO commitments:

The PLO recognizes the right of the State of Israel to exist in peace and security.

The PLO accepts United Nations Security Council Resolutions 242 and 338.

The PLO commits itself to the Middle East peace process, and to a peaceful resolution of the conflict between the two sides and declares that all outstanding issues relating to permanent status will be resolved through negotiations.

The PLO considers that the signing of the Declaration of Principles constitutes a historic event, inaugurating a new epoch of peaceful coexistence, free from violence and all other acts which endanger peace and stability. Accordingly, the PLO renounces the use of terrorism and other acts of violence and will assume responsibility over all PLO elements and personnel in order to assure their compliance, prevent violations and discipline violators.

In view of the promise of a new era and the signing of the Declaration of Principles and

based on Palestinian acceptance of Security Council Resolutions 242 and 338, the PLO affirms that those articles of the Palestinian Covenant which deny Israel's right to exist and the provisions of the Covenant which are inconsistent with the commitments of this letter are now inoperative and no longer valid. Consequently, the PLO undertakes to submit to the Palestinian National Council for formal approval the necessary changes in regard to the Palestinian Covenant.

Sincerely, Yasser Arafat

Mr. Chairman:
In response to your letter of Sept. 9, 1993, I wish to confirm to you that, in light of the PLO commitments included in your letter, the Government of Israel has decided to recognize the PLO as the representative of the Palestinian people and commence negotiations with the PLO within the Middle East peace process.

Yitzhak Rabin, Prime Minister of Israel

Dear Minister Holst:
I would like to confirm to you that, upon the signing of the Declaration of Principles, I will include the following positions in my public statements:

In light of the new era marked by the signing of the Declaration of Principles, the PLO encourages and calls upon the Palestinian people in the West Bank and Gaza Strip to take part in the steps leading to the normalization of life, rejecting violence and terrorism, contributing to peace and stability and participating actively in shaping reconstruction, economic development and cooperation.

Sincerely, Yasser Arafat

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Switzerland S.Fr.	3,500	1,900	1,000
Switzerland S.Fr.	610	335	185
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Herald Tribune

Almost Free in South Africa

Score a victory for humanity and realism in South Africa. A breakthrough agreement was reached on Tuesday to establish a Transitional Executive Council in which blacks for the first time will share a governing role with a white minority regime.

black majority into "nations," a fiction to justify denial of basic rights. A race-obsessed regime classified its citizens into a dozen categories, including Cape Colored, Cape Malay, Griqua, Indian, Chinese, Other Asiatic and Other Colored — but only whites could vote.

The Case for Aiding Russia

American aid to Russia is intended to support economic and political reform. But what if the rate of reform slows down and the economy gets caught in the struggle between President Boris Yeltsin and the obdurate Russian Congress?

in July and was to have provided another \$1.5 billion later this year, but the second round of loans has been postponed until the Russians get control of their deficit and begin to stabilize their economy.

Burying the Marcos Era

They came to bury Ferdinand Marcos, and to praise him. But they came in strikingly smaller numbers than his widow, Imelda, had advertised. Not a million but 7,000 Marcos loyalists greeted the Philippine dictator's body on Tuesday when it arrived in his home province of Ilocos Norte.

his body home for burial could spark new challenges to her embattled government. A new president, Fidel Ramos, has judged that Philippine democracy is strong enough to bring this sorry chapter to a close, although he rightly refuses the state funeral and Manila burial that Mrs. Marcos wanted.

Other Comment

Another Victim in Miami
How good of German Consul General Klaus Sommer to speak kindly, if sadly, of this community after the murder of Uwe Wilheim Rakebrand, the third German tourist slain in Dade County this year.

Mr. Rakebrand's slaying is a bitter reminder that determined criminals invent new strategies to combat effective crime-fighting. The "bump and rob" brigades have learned to spot tourists despite unmarked cars.



Cement Peace Here and There With Development

PARIS — The Gulf War succeeded in rolling back Iraqi aggression. In essence, Resolutions 242 and 338 constitute the sole legal and realistic ground toward the achievement of a negotiated peace.

the concerned parties' realistic views. In essence, Resolutions 242 and 338 constitute the sole legal and realistic ground toward the achievement of a negotiated peace.

the Middle East conflict was Camp David, when the negotiated political solutions came side by side with economic and financial arrangements providing adequate support for both parties (Israel and Egypt) to a peace treaty concluded against the opposition of extremists on both sides.

habilitation of the military and of militiamen, identifying new employment opportunities, setting up regional development projects — in general, to involve all the nations of the region in tangible and profitable economic and financial relations as a direct result of the peace.

There should be an international agreement to add a flat fee or tax per barrel to the crude oil price, worldwide.

between the Israelis and the Palestinians. Achievement of one without the other would not lead to real peace. A fair solution means the ability to satisfy, in its final stage, the legitimate and realistic demands of all the parties.

As a candidate, Bill Clinton supported NAFTA to underscore his posture as a "New Democrat" and to attract business backing. But he insisted that his support was conditional on negotiating side deals on labor and environmental standards.

A NAFTA Nightmare Haunts Clinton

WASHINGTON — Whatever you think of the North American Free Trade Agreement as an economic idea, it is becoming a political nightmare for the Clinton administration.

By Robert Kuttner
to finance health care reform by requiring employers to pay a payroll charge, which raises the cost of employing new workers.

form he is likely to lose on NAFTA — and vice versa. All this was unnecessary. NAFTA was George Bush's initiative.

Not only does it strain ties among Democrats, it hurts the president's other big initiatives. insisted that his support was conditional on negotiating side deals on labor and environmental standards.

Ring-Bearer For a Shaky Marriage

By Leonard Silk
EIGHT YEARS ago, as a correspondent for a U.S. newspaper, I covered the founding conference of the United Nations in San Francisco. In the pressroom in the basement of the Opera House, I met the great essayist E. B. White, who was there for the New Yorker. One day he posed a riddle. "Sergeant," he said, "what is the most important thing for a marriage?"

The United Nations, flabby and neglected, needs U.S. help to survive.

offender is the United States. At the end of August, the United Nations was owed more than \$2 billion, with the United States owing \$786 million, followed by Russia (\$305 million) and Japan (\$108 million).

Neither the United States nor any other nation could take on the job of global policeman alone. Yet the member states, including the United States, are not ready to give the United Nations the control over military forces and the financing to head off conflicts.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: 1,000 Mile Record
LONDON — Lawrence Fletcher has accomplished a wonderful ride, beating the 1,000 miles record by over six hours. Starting from Land's End at two o'clock on Monday [Sept. 4] morning he attempted to lower the record to John O'Groats, but had to give up the task on account of the wretched weather and the bad roads he encountered in Scotland.

1918: A Heroic Death

PARIS — M. Gaston Dumesnil and M. Abel Ferry, two very popular members of the Chamber of Deputies, were badly wounded on Sunday [Sept. 8] through the explosion of a German shell on the firing-line.

1943: Wildcat to Helicat

NEW YORK — [From our New York edition:] Publication of some details about the Navy's new Grumman Helicat fighter plane, which had been kept secret for a year, was permitted yesterday [Sept. 9] for the first time.

International Herald Tribune
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OPINION

A Bush-Clinton Pact to Keep Iraqgate Covered Up?

By William Safire

WASHINGTON — George Bush privately assured Bill Clinton that he would not criticize the new president during the first year of his term. I cannot attribute that to any source, but trust me. And Mr. Bush has kept his word.

CIA evidence to the contrary. During the '92 campaign, Al Gore accurately charged that "the CIA reported to Secretary of State James Baker... that Iraq was clandestinely procuring nuclear weapons" while the State Department was urging more loan guarantees to appease the dictator.

with guilty knowledge of U.S. officials — in a public trial. John Hogan, Attorney General Janet Reno's longtime assistant in Miami, is the prosecutor who insists that the bank in Rome was innocent, over the plea bargain's continued disputation.

Thus Clinton appointees at Justice have closed ranks with prosecutors and fixers desperate not to be brought before a grand jury by a truly independent counsel. Mr. Bush's Justice Department appointed the lawyer for Saddam's main arms purchaser as U.S. attorney in Atlanta; Mr. Clinton's Justice Department is appointing a lawyer from King & Spalding, BNL's law firm, who had worked on the case as a prosecutor to the U.S. attorney there now.

the United States pay up? "Apples and oranges," Mr. Hogan tells me; that is the Civil Division's job. Mr. Hogan is familiar with Italian suits, having once been accused of receiving stolen clothing in a Miami "hot suit" case; he earned a straight-arrow reputation by resigning as prosecutor despite his innocence. But now he uses "ongoing investigation" to duck questions, despite St. Janet's claim of his work having already been "thorough"; it is patently not "independent."

LETTERS TO THE EDITOR

For a Sydney Olympics

The Sept. 23 date is fast approaching when the International Olympic Committee will vote on the site of the Games to be held in the year 2000. The leading contenders appear to be Beijing and Sydney. I have seen only occasional mention of Berlin, Istanbul, Manchester and Brasilia.

Watch the Fault Line Between Civilizations

But the values at the core of Western civilization — democracy, the rule of law and individual liberties — have penetrated other civilizations, if in varying degrees. Thus, predominantly Hindu India and Japan, where Confucian moral teachings still prevail, are democracies. A number of Islamic countries have reconciled religion with modern thought. And Islamic fundamentalism as such, though growing, is not likely to blow up into a force strong enough to challenge the West.

A Binding Contract

Regarding "Supreme Court Is Still Public-Enemy" (Aug. 31): I notice that in response to the U.S. Supreme Court's request that he abide by his written pledge not to publish his oral arguments, a man who is both a lawyer and a professor at the University of California responds that his pledge did not constitute a valid contract. I know many people whose word is more binding than a valid contract.

Where Eagles Hatch

Regarding "It's a Scandal: The River Doesn't Do as It's Told" (Opinion, July 21): George Will states that Charles Lindbergh was born "in a house on a Mississippi River bluff near Little Falls, Minnesota." Aviation's "Lone Eagle," as he was once nicknamed, grew up in Minnesota, but he was born in Detroit, the home of his mother's family.

Totalitarian Grip

Regarding "America's Good Intentions Can't Remake the World" (Opinion, Sept. 1): The Serbian hold on the former Yugoslavia, which Dimitri K. Simas would seem to condone, is and always was a totalitarian hold. To quote his article, "There are special cases, like the Holocaust, where the monstrosity of the crime demands a prompt military response."

The Issue Is Trade

With the Cold War over, what comes next as a source of world conflict? A clash of civilizations, and not economic interests, says Samuel P. Huntington in "Now

Letters intended for publication

should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Perfect Woman, Overplanned

By Andrew Ward

BAINBRIDGE ISLAND, Washington — Like most Americans, I sometimes have a hard time distinguishing between lifestyle and life. I watch the commercials in which exquisitely groomed people stand around gourmet buffets chucking handsomely about the week they were all so great together on St. Croix, and I wonder why my buffets always feature Hormel lunch meats and Best Foods mayonnaise, why

myself a kind of generalized longing. They recall for me a certain adolescent fantasy I used to entertain of a beach cottage my parents share with old college friends who have this fierce, literate, beautiful daughter who comes to realize over the course of a tumultuous summer what a strong, funny, feeling youth I really am.

MEANWHILE

all my friends are funny looking, why we've never congregated handsomely on Caribbean islands and tasted zinfandels. Not long ago a team of models, photographers and assorted "gofers" converged on my house to shoot pictures for a clothing catalog. I live in a stone house, and they were looking for a stony sort of location to rent for a couple of hundred dollars; you know, a kind of evergreen-by-the-water great old place where handsome young persons might lounge about in casual togs. I get catalogs from the company they're shooting for. Millions of them are mailed out every year.

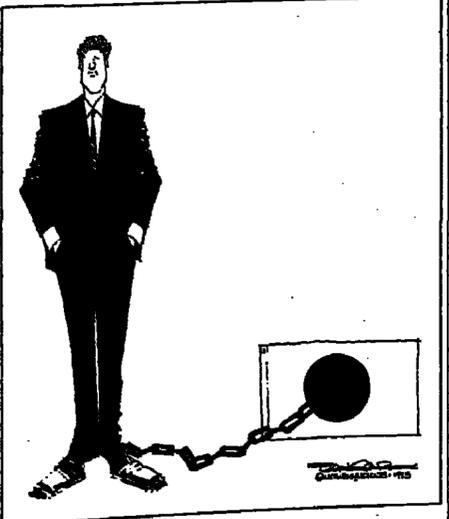
When the models arrived at my house I greeted them in the driveway like some heartless troll. A Nefertiti-like woman with skin the color of coffee Haagen-Dazs chain-smoked Camels on the deck, while a blonde colleague with penciled eyebrows and Bardot lips awaited her turn before the cameras, curled up in a wicker chair and scowling through granny glasses.

first engender and then prey upon womankind's inadequacies. The frail and starved neurotics posing on my deck did not seem to me happy nor especially bright, and yet they not only manage to sell clothes but also to make the happy, bright, beautiful young women who date my son — girls with calf muscles, bosoms, aural hips — feel terrible about the way they look. I sometimes find my 14-year-old daughter leaning into a mirror to deplore her skin, or lowering her waistband because she thinks her legs are too long. Almost every day I have told her that she was smart and funny and a sight for sore eyes. But I am only her father and not the world, and the world keeps telling her she isn't perfect and won't be perfect until she lines up with her dollars at the gyms and clinics and tanning salons. As the models and gofers packed their things and drove out my driveway, I kept thinking about something Jean Marsh, the star of "Upside Downstairs," once said. It wasn't particularly profound, but she's been a kind of heroine of mine ever since. She was asked if, as a girl, she had ever worried about her looks. "Oh, no," she replied, as if surprised by the question. "I always thought I looked smashing."

The writer, a former National Public Radio commentator, contributed this column to The Washington Post.

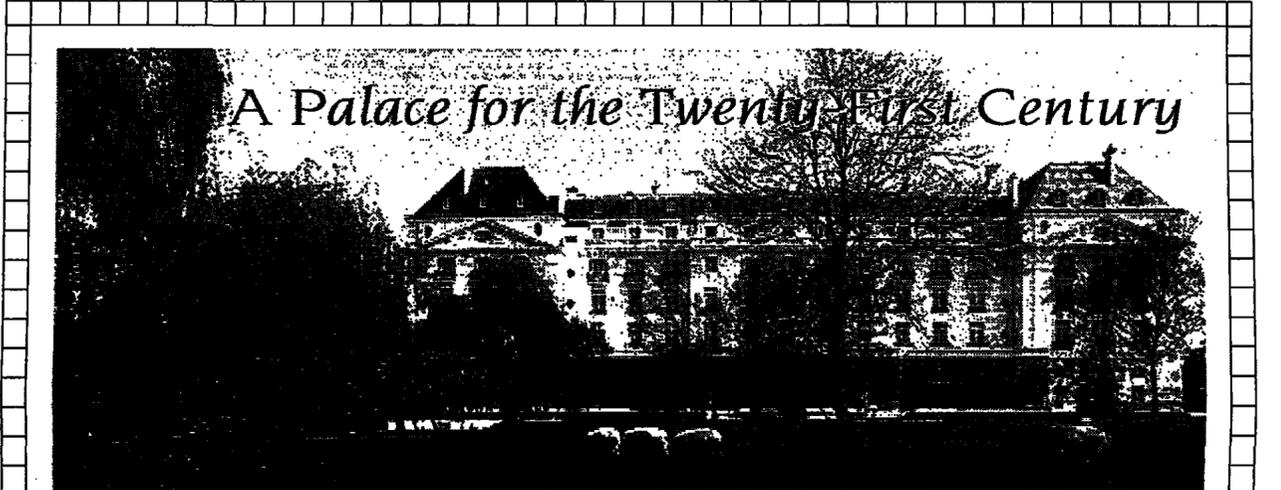
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The recently renovated Trianon Palace hotel in Versailles retains all its original splendor with the added bonuses of high-tech business facilities and a luxurious spa.

A Palace for the Twenty-First Century

The Versailles area is rich in attractions other than Louis XIV's chateau. A few recommendations:

A Room With a Royal View

The Trianon Palace in Versailles is a hotel fit for kings and queens but fitted out for the modern business executive.

to a view of the royal residence. This setting is just one of the many charms of the Trianon Palace, a fully equipped business hotel with luxurious appointments and the added attractions of rural calm, health and fitness facilities, sports activities, haute cuisine and specially designed dietetic menus. Located only 20 minutes from Paris, the four-star hotel is an oasis far from the stresses of the big city. For those who come just to relax or to combine business with pleasure, the Versailles area also offers a wealth of sightseeing opportunities and cultural events.

Tempting Tours

Follow the painters', writers' and musicians' routes to visit the homes of Derain, Turgenev, Zola, Dumas, Ravel and Debussy. Dine with the Viscount de La Paouze at Chateau de Thoiry, which has its own wild game park.



A junior suite combines luxury with a homey feeling.

"If we were building the hotel now," says Jean-Paul Daguere, the hotel's executive assistant manager, "it would front on the 'sheep side' and not the chateau side." Today's harried travelers prefer the calming sight and sound of sheep grazing in a pasture

One of the major attractions of the hotel is the luxurious Givenchy spa, which overlooks the lovely blue-tiled atrium swimming pool. Visitors stepping into the calm precincts of the spa, where the soothing sound of running water coming from pillar-shaped fountains provides the background music, will feel all their cares drop away. And after one or more of the dozens of treatments on offer, ranging from mud baths to seaweed wraps, saunas, massages, hydrotherapy, beauty treatments and skin exfoliation, they will leave wondering why they ever had any cares at all.

For more information on nearby attractions, ask the hotel concierge or contact the Conseil Général des Yvelines, Hôtel du Département, 78012 Versailles Cedex. Tel.: (1) 39 02 78 78; fax: (1) 30 97 78 87.

Making History

History has been made at the Trianon Palace on more than one occasion. On May 7, 1919, Georges Clemenceau, flanked by Woodrow Wilson and Lloyd George, dictated the terms of the Treaty of Versailles to the defeated Germans. After World War I, during which it served as a hospital for British soldiers, the rich and famous came back in force. The list goes on and on: Marcel Proust, Sarah Bernhardt, Colette, Paul Valéry, Marlene Dietrich, Barbara Hutton and two of her husbands, and the Duke and Duchess of Windsor, among many others. One American lady regularly arrived with 22 oversized trunks. John D. Rockefeller made his sons carry his bags into the hotel from his Rolls-Royce, and J.P. Getty always asked for a mid-priced room. At the end of World War II, Generals Eisenhower, Patton, Bradley and Montgomery met at the hotel to make decisions that changed the face of Europe. The parade of big names continued after the war: the Aga Khan, Queen Elizabeth II, Shimon Peres, Richard Nixon, François Muraire, Arthur Rubenstein, Jacques Brel, etc. A charming scandal occurred at the hotel in 1946 when Marlene Dietrich was not allowed into the lounges because she was wearing a pantsuit. "Tomorrow, every woman will be dressed like me!" she correctly predicted.

When vigorous exercise is desired, the Trianon Palace offers a variety of ways to work up a sweat, from jogging or cycling in the park to tennis, swimming, workouts in the gym, horseback riding or golf.

Local museums exhibit everything from naïve art to perfume, military costumes and toile de Jouy. Monet's garden and home at Giverny are open to the public. Horseback riding centers and golf courses are located near the Trianon Palace. And don't miss the Baroque music concerts at the Chateau de Versailles.

Built in 1910, the hotel has served as a stage set for many of the important events and people of the century. It was designed by renowned architect René Sergent and immediately attracted international high society. By the 1980s, however, the grandeur of the hotel had begun to fade, and its glory days seemed to have come to an end. In 1990, it was closed down for a complete renovation that restored the venerable hotel to its former state of luxury and comfort. Some of the original furniture was restored, and sumptuous fabrics were used for draperies and bedclothes in its 63 rooms, 22 suites and three apartments.

Local museums exhibit everything from naïve art to perfume, military costumes and toile de Jouy. Monet's garden and home at Giverny are open to the public. Horseback riding centers and golf courses are located near the Trianon Palace. And don't miss the Baroque music concerts at the Chateau de Versailles.

At the same time, state-of-the-art business facilities were installed that anticipate every possible need of the modern business executive, from in-room fax and computer hook-ups to modular conference rooms. A business center provides complete secretarial, translation and communications services.

Local museums exhibit everything from naïve art to perfume, military costumes and toile de Jouy. Monet's garden and home at Giverny are open to the public. Horseback riding centers and golf courses are located near the Trianon Palace. And don't miss the Baroque music concerts at the Chateau de Versailles.

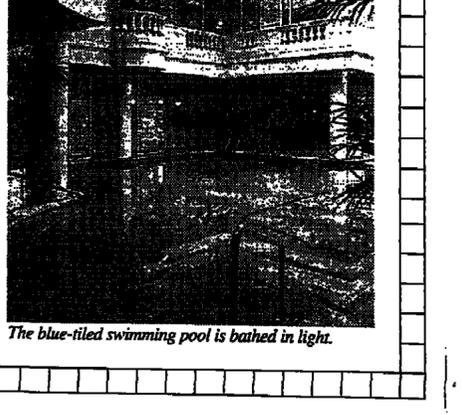
Renowned chef Gérard Vié's Michelin two-star

restaurant, Les Trois Marches, is located in a handsome new glassed-in dining room overlooking a kitchen garden.

A second, more modest hotel was built facing the Trianon Palace. It is known as the Trianon Hotel, and the rates for its 97 rooms are about half those of the Palace. The hotel has six conference rooms, five committee rooms, a press room and video broadcasting equipment. Guests of the new hotel have access to all the facilities of the Trianon Palace.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • It was written by Heidi Ellison, a free-lance writer based in Paris. • This is the first installment of a four-part series on the Trianon Palace. The remaining sections will appear on October 15, November 12 and December 10.

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The blue-tiled swimming pool is bathed in light.



Madame Dai's: Past Is Present in Ho Chi Minh City

By Andrew Ranard

HO CHI MINH CITY — There's hardly an experience in café or restaurant dining, club drinking, antique shopping or pedicab riding in Ho Chi Minh City that doesn't have the potential of turning into material for a tale. Everyone in old Saigon has a story about life before '75 and after '75, the Great Divide in the South about which so many reversals of fortune occurred. Some of the more interesting stories remain hidden or are told circumspectly.

Madame Nguyen Phuoc Dai's story falls into the latter category. She is a former lawyer and South Vietnamese politician who remained in Saigon after the fall and who turned the library of her house into an elegant restaurant shortly thereafter. The restaurant, known as La Bibliothèque de Madame Dai, is at 84A Nguyen Du Street at her

unadvertised residence, but the pedicab drivers know it well.

It is more than a library, actually. It has six tables seating four, with a wall and a half taken up by dusty French legal tomes, but the rest of the room is a museum. Her family collection includes scores of pieces of Vietnamese ceramics, many temple sculptures from the pre-15th-century Cham Kingdom of Vietnam, a number of exquisite antique Chinese pieces, a large Cambodian temple rubbing, a Vietnamese screen and a large Japanese Inari ware platter.

One goes for the mood, not the cuisine. Madame Dai, a plump, graying woman greets each guest personally, in fluent French or passing English. This evening she is preoccupied with a large party of Japanese businessmen, who disappear early, and the French ambassador's table of five. At the ambassador's table she stands for nearly a half hour, pouring wine and making conver-

sation. One attempts to leave with the notion of returning at a more appropriate time, but no, there is the traditional dancing after dinner, and, if one is willing to wait, Madame will make time.

The dancing takes place upstairs in her living room, where there are more books, more antiques, a picture of Ho Chi Minh on the wall and a piano with photographs of her grandchildren, who live overseas. The performances are harvest and rain dances, performed by young Vietnamese women, accompanied by a flute, a guitar, an instrument that looks like a mandolin and the Vietnamese monochord.

When the performances are over and the ambassador's party has left, we may sit, chat and drink in the living room. The duties of English translation are relegated to one Nguyen Luong, a member of The New York Times's bureau in Saigon until 1975. After '75, Luong needed a new occupation and

studied music at the Ho Chi Minh City Conservatory of Music. He is one of the musicians in the performing troupe.

Madame Dai's father, he explains, was a doctor who was educated in France and who fought against the French for independence. Because of his political sympathies, he was exiled from Saigon and sent to serve at Con Son prison in the South, which was, Luong adds, a way of incarcerating him. As for Madame Dai, she also was educated in France, was a barrister for 35 years and served as vice speaker of the Senate in South Vietnam, gradually moving from "right" to "left."

Madame Dai joins the conversation, although she is not loquacious. Her grandfather was a collector, she offers by way of explaining the French and adds that, needing money, she sold much of the family collection after '75.

"The restaurant is a big door still opening for me," she says. "The most important thing

is not money, but the fresh air, the fresh oxygen." She chuckles. "The restaurant has permitted me to live my bourgeois lifestyle," which is as provocative as she will be.

It is Luong who steals the show. In The New York Times's bureau, he worked with a number of correspondents who later became chroniclers of the war in Indochina. Among these journalists were Sydney Schanberg, who wrote "The Killing Fields," and Neil Sheehan, author of "A Bright Shining Lie," which won the Pulitzer Prize and National Book Award. "The Killing Fields" offers a brief account of the Cambodian tragedy through the tale of Schanberg's assistant, Dith Pran, who stayed behind in Cambodia after the Communist takeover and who became a victim and witness of the atrocities that followed. He did not escape Cambodia until 1979. "A Bright Shining Lie" tells the history of the Vietnam War through the biography of John Paul Vann, a U.S. military officer who subsequently became a

swashbuckling, iconoclastic strategist of the conflict as an Agency for International Development adviser. Vann was well-liked by the Saigon press corps because he was one of the few U.S. government officials who gave the straight dope on the war.

"I am the 'other Dith Pran.' I stayed," Luong said. "I couldn't see any sufficient reason to leave the country."

And did he know Vann? "Yes. He was very intelligent, but it is difficult to be intelligent when you are surrounded by stupid people."

Luong goes to a bookshelf and pulls out a copy of "A Bright Shining Lie," inscribed to Madame Dai from Sheehan. From Madame Dai there is no discernible reaction. She might have known Sheehan, she might have forgotten, she may have retired from the world of ideas, or she may not even care.

Luong is a witty, fatalistic man. Of present-day Vietnam, he smiles, "I don't care if it's open door or not. I spend my time drinking."

Andrew Ranard writes on Southeast Asia.

THE MOVIE GUIDE



Yu Fei Hong in "The Joy Luck Club," left; Julian Sands and Sherilyn Fenn in "Boxing Helena."

Master of the Gensenskan
Directed by Teruo Ishii, Japan.
The manga-mad of Japan have dubbed Yoshiharu Tsuge king of the comics and here is yet another film adapted from his work. The film opens with a strange story about a strange family

who, in true manga fashion, turn out to be just like you and me. The second is about a little girl who squats in the mountain stream and secretes beautiful red flowers. The third concerns the master of the Gensenskan inn and unspeakable rites that transpire there—horrid old crosses, demon masks, rape in the bath—and so on. Each story mirrors the shallow concerns of the manga and its closed and claustrophobic world. Director Ishii, now nearly seven, came out of retirement to direct this film. He used to be an assistant under Milos Forman and later directed Ken Takakura yakuza flicks. (Donald Richie, IHT)

Boxing Helena
Directed by Jennifer Chambers Lynch, U.S.
Surely you've heard about Jenni-fer Chambers Lynch's "Boxing Helena" by now. It's the film that made legal history when its prospective star, Kim Basinger,

was held liable for having got cold feet. Speaking of feet, "Boxing Helena" is the one that sounds as if its story, about a surgeon who amputates the arms and legs of the woman he loves, could make Lynch's father, David Lynch, look like Norman Rockwell. Ignore the severed limbs, and this is a story about love and obsession. Or about the darkest fantasy. Or about the impossibility of truly possessing anyone. Whatever. As it turns out, Lynch has both talent and a point. Her film is not the gory, exploitative quasi-pornography it sounds like. Presented instead as a macabre modern fairy tale, and staged in unapologetically discreet style, her "Boxing Helena" is at least as hypnotically peculiar as it is perverse. Even without her arms, the cruel, beautiful Helena (Sherilyn Fenn) manages to hold all the cards. Ultimately, Lynch has nowhere to take her erotic parable except to a dead end, but she makes the unfolding

of the story a spooky, engrossing process. (Janet Maslin, NYT)

The Joy Luck Club
Directed by Wayne Wang, U.S.

Amy Tan's readers luxuriated in the wealth of stories she coaxed forth from the Joy Luck Club, a group of dedicated Chinese-American mah-jong players whose present-day serenity belied their tumultuous early years. Each of these women had searing, highly dramatic memories of her Chinese childhood; each encountered a different sort of trouble in trying to bring up her own offspring on American soil. Each recalled the events of her life in lavish and exotic detail, and these events had a way of teaching lessons. Tan found such a heady blend of melodrama and psychodrama in her novel's many mother-daughter conflicts that her "Joy Luck Club," with all its tearful showstopping and gratifying symmetries, had a stereotypically feminine outlook. But now, handsomely brought to the screen with a cast of dozens of actresses and no men of any consequence, "The Joy Luck Club" is anything but a traditional women's picture. As directed simply and forcefully by Wayne Wang, with a screenplay skillfully written by Tan and Ronald Bass, "The Joy Luck Club" is both sweeping and intimate, a lovely evocation of changing cultures and enduring family ties. (Janet Maslin, NYT)

HEARD THE ONE ABOUT THE ENGLISHMAN, THE SCOTSMAN AND THE WELSHMAN who, helped by two Australians, downed 131 Singapore Slings at a single, 2-hour sitting? The case was duly documented by the head barman of the day, whose signed testimony to the event you'll find at Raffles Hotel Museum to this day.

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Provence Wine: What's in a Name?

By Christopher Petkanas

LES BAUX-DE-PROVENCE, France — In the 1960s the Provencal wine world woke up under a broiling Mediterranean sun and started fighting its completely earned reputation for plonky reds and the most trafficked roses this side of a family-size bottle of Butterin. It spent a lot of money and made a lot of progress. Technology improved. Quality improved.

Few who snobs leave the room now when Provence comes up. Lucien Peyraud's Domaine de Trepier does not have to excuse itself in the company of pedigreed Bordeaux. At Domaine de Trevaillon in the Alpilles mountains, a corner of the region which is just about to shoot itself in the foot with its own popularity, Eloi Durthach makes some of the most sought-after reds in France. But as a viticultural region, Provence is still fighting.

One of the latest battles is an internal one. Thirteen vineyards, including Trevaillon, centering on the much-visited medieval village of Les Baux and covering 300 hectares (741 acres) south of Avignon and northeast of Arles, want to secede from the appellation assigned to it, Coteaux d'Aix-en-Provence, by the Institut National des Appellations d'Origine (INAO).

For the moment, the furthest the government body that regulates wine production in France is willing to go in acknowledging the wines' separateness is to allow the designation Les Baux to also appear on the label.

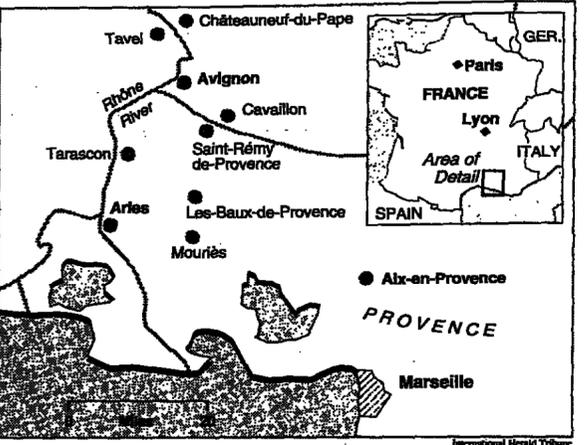
The growers are not satisfied, however. They want to leave Aix, which has a fuzzy and slightly down-market brand image (though not as down-market as those of its neighbors Coteaux Varois and Cotes de Provence), for the same reason Diana Ross left the Supremes. They feel it is holding them back.

THE irony is that Baux started out with its own appellation in 1956. In 1972 it was subsumed by Aix. In 1985 Aix graduated, thanks in part to the Baux wines, from being a Vin Délimité de Qualité Supérieure (VDQS) to Appellation d'Origine Contrôlée (AOC) status. Now, having attained a still better product, and having lost recognition, the Baux makers want more.

What they are rallying for is a formal sub-appellation within Aix that would honor their individuality and, perhaps most importantly, remove Aix (and a lot of confusion) from their labels. Robert Parker, who, with his books and newsletter out of Parkton, Maryland, is probably the single most powerful figure in the international wine community, is behind them, wandering in the pages of "The Wines of the Rhône Valley and Provence" why they have not been permitted to go out on their own. "One of the greatest discoveries in my life has been the wine made at the Domaine de Trevaillon," he writes, citing the '82's "bouquet of roasted smoked nuts, plums, cedar, and herb scents," and the '83's "huge aroma of cassia, tobacco, and tar."

Other vineyards to watch for are Domaine de Lauziers, Mas de la Dame, Terres Blanches, and Mas de Gompagnon. All of the Baux properties make a point of selling directly to the public. That is good considering how difficult the wines are to find outside the region, even in Paris. And by simply driving from tasting to tasting you will inevitably see the best of this pocket of Provence.

If the divorce goes through, Baux would have the same relationship to Coteaux d'Aix as, say, Châteaufort-du-Pape has to Côtes



Occupational Herald Tribune

du Rhône. The comparison is apt. You say Côtes du Rhône and everyone looks at his watch. But you say Châteaufort-du-Pape and everyone jumps to the edge of his seat, holding out a glass and jockeying for refills.

The way the proprietors of the Baux vineyards see it, they are simply asking the INAO to observe their own system, which awards specificity. It holds that an appellation should match up with a particular style of wine, and that style is determined by geography.

As Steven Spurrier writes in "French Country Wines," "The idea of appellation is inseparable from the concept of 'terroir,' the combination of soil and climate that gives each wine a certain style." While Aix's "terroir" is a scattered mosaic, accounting somewhat for its unfocused image, Baux's is solidly uniform: an essentially calcareous substratum below rocky clay, and a microclimate that brings more rain and higher temperatures than any other area within the zone. What the Baux producers are saying, being careful not to make too strong a qualitative judgment, is: "Our wines are sufficiently different from the wines of Aix to merit their own labeling."

With the goal of making a more specific wine that is yet superior, Baux growers are proposing production regulations that are stricter and more precise than the ones the INAO imposes on them now. When assembling their wine, 60 percent of it would have to come from a minimum of two of the following grape varieties: Syrah, Grenache

and Mourvèdre. Secondary varieties would be Cinsaut, Counoise, Cabernet-Sauvignon and Carignan. No reds could be sold before one year after harvest. Since a high ratio of vines to planting surface results in wines of greater concentration, the minimum would be set at 4,000 per hectare (Aix allows 3,300). One hectare could yield a maximum of 5,000 liters (Aix permits 6,000).

While for years Baux's campaign seemed hopelessly stalled, in April the INAO finally sent a "commission of inquiry" to Provence to taste and listen to the producers explain their product. The commission was comprised of an Alsatian wine-maker, a wholesaler from Burgundy, and a flashy journalist. "They were conditioned to find something very middling, but they were surprised," says Georges-Hubert Duteil, who manages Lauziers. "What they didn't expect was the taste of terroir."

"Our people were especially seduced by the reds," says Philippe Doumenc, who runs the INAO's Provence office in Hyères, and who was present. "We are not against the principle of Les Baux breaking away. But it must be justified by a certain rapport between the wine's characteristics and its terroir."

The next step is for the commission to present, in January at the earliest, its findings to INAO's national committee. Ultimately it may decide that Baux can leave Aix but that it does not quite agree, say, with the suggested varieties or yields. At that point it will be up to Baux to decide whether to swallow INAO's guidelines, which could mean a quite different wine from the one they have in mind, or let the whole thing drop.

"If we lose," says Duteil, "we're going to call it vin de table."

Domaine de Trevaillon, Saint-Etienne-de-Gres, 13150 Tarascon. Tel: 90-49-06-00.
Mas de la Dame, 13520 Les Baux-de-Provence. 90-54-32-24.
Terres Blanches, Route Départementale 99, 13210 Saint-Rémy-de-Provence. 90-95-91-66.
Mas de Gompagnon, Le Destet, 13890 Mouries. 90-98-90-22.
Domaine de Lauziers, 1390 Mouries. 90-47-62-88.

Christopher Petkanas is writing a book on the culture of cuisine in Provence.

HOLIDAYS & TRAVEL

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THE ARTS GUIDE

Italian Food Travels Best



By Patricia Wells
International Herald Tribune

PARIS—the world's most popular cuisine? Hands down, it's Italian, whether you're dining in restaurants in Tokyo, in Cincinnati, at home in Paris or Rome. Italian food is familiar, easy to understand, easy to love. And the trattoria—a small family restaurant—gives us all hope of finding fare that is unpretentious, honest and homemade.

That said, popularity breeds mediocrity, as we are all too often faced with false versions of our dreams.

Well, Chez Vincent, a crazy, crowded, noisy, and delicious trattoria not far from the Buttes-Chaumont park in Paris's 19th arrondissement, comes pretty close to that dream. Call to reserve a table (that's essential) and you'll be asked which seating, which seating. In a trattoria, the seating is important! Once you're there, you'll see the waiting line trails out the door and down Rue du Tunnel, as groups of two, four, six, sip house cocktails while they wait, which you do a lot at Chez Vincent.

Vincent is there himself in the front of the dining room, like a conductor, plating up antipasti platters of giant white beans marinated with oil and herbs, thin slices of grilled zucchini, wonderfully fresh and homemade artichokes in oil, tomatoes and mozzarella dabbed with pesto and seasoned with salt, pepper and lemon.

He keeps a close eye on the crowd, making sure everyone at least has something—a glass of wine, a tiny hors d'oeuvre of fresh miniature pizzas, topped with tomato sauce, mozzarella, grilled fresh mushrooms, a dollop of pesto, and a sprinkling of grated parmesan.

At one table, a multigenerational Chinese family of 10 eats Italian, Chinese-style, while other tables fill up with chic Parisians there for their trattoria fix. The air is thick with laughter, and lots of arm-waving for waitresses' attention, yet everyone understands that the waiting is part of the game.

The food arrives on platters, not plates, as gargantuan portions of pasta puttanesca, carbonara, spaghetti with clams, all but float through the air. We order eggplant parmesan and it arrives in a thick, well-worn enamel cast iron gratin dish: slices of eggplant almost paper thin, infused with a tomato sauce so thick, so flavorful, so real,

fresh artichoke, deep fried and crispy, a soothing combination of delicate flavors and contrasting textures. The carpaccio of tuna is a successful twist on the omnipresent beef version, and here paper-thin slices of tuna are paired with raw onion (too harsh, too imposing), olive oil, lemon juice and a whisp of fennel.

The pasta alla Norma—starring eggplant, tomato sauce and ricotta—is worth a trip on its own, prepared with excellent homemade tagliolini, tomato sauce and cubes of eggplant the size of a sugar cube. If one ever needed to be convinced to leave the skin on eggplant, here's proof in the eating, for eggplant skin imparts a meaty, smoky richness few vegetables can match.

As for wine, try the 1990 Barbera d'Alba, rich, smooth, and lightly tannic. Service can be slow, but pleasant. The ambience is cool but casual.

Chez Vincent, 5 Rue du Tunnel, Paris 19. Tel: 42.02.22.45. Closed Saturday and Sunday. Credit card: Visa. A la carte, 150 to 200 francs, including service but not wine. Felli, 47 Rue de l'Arbre-Sec, Paris 1. Tel: 42.60.90.66. Closed Sunday. Credit card: Visa. 110-franc menu. A la carte, 200 to 250 francs, including service but not wine.

AUSTRALIA

Sydney
Powerhouse Museum (tel: 217.01.11). To Oct. 10: "In Her View: The Photographs of Hedda Morrison in China and Sarawak 1933-67." Sixty black-and-white photos taken in China in the late '30s and early '40s, and in Malaysia after World War II show dramatic changes in places, environments and lifestyles.

AUSTRIA

Vienna
Kunsthauus (tel: 712.04.95). To Oct. 17: "The Language of Art." Explores the diverse forms of interaction between writing and pictures, focusing on 20th-century painters, Braque, Picasso, Magritte, Bayes, Twombly, among others.

BELGIUM

Brussels
Musée Royal des Beaux-Arts (tel: 226.78.09). To Oct. 10: "Le Manique Sublime." An exhibition about memory and imagination, featuring works by 25 contemporary artists including Janine Kounellis, Franz West, Jan Vrancx, René Daniels and Luciano Fabro.

BRITAIN

Cambridge
Fitzwilliam Museum (tel: 33.29.00). To Sept. 19: "Splendors of Flanders." Books of hours, art for the church and manuscripts for the court provide a survey of late medieval Flemish art.

London
Accademia Italiana Delle Arti e Delle Arti Applicate (tel: 225.34.74). To Sept. 26: "William Stok: A Retrospective." Sixty paintings by the Italian artist, who works in a tempera wash of finely ground pigments mixed with water, not unlike that used by Old Masters for frescoes, which gives the fragments of classical architecture or draped figures he depicts an antique appearance.

Design Museum (tel: 409.99.39)
To Oct. 27: "Is Starch a Designer?" An overview of this controversial artist, who once said: "I would rather people hated my work than they did not react to it." Early prototypes of his furniture and objects, as well as his latest projects are included in the show.

Royal Academy of Arts (tel: 493.74.58)
To Oct. 10: "The Impressionist and the City: Pissarro's Series Paintings." Best known for his rural scenes, the Impressionist artist painted more than 300 cityscapes of Paris, Rouen, Le Havre and Dieppe during the last decade of his career.

Manchester
Whitworth Art Gallery (tel: 273.48.65). To Oct. 2: "From View to Vision: British Watercolours from Sandby to Turner." A survey of the development of English landscape watercolor painting from 1750 to 1850, featuring some 150 works by John Robert Cozens, Thomas Girtin and culminating with a number of works by J. M. W. Turner including several late masterpieces.

Oxford
Ashmolean Museum (tel: 278.0008). To Sept. 30: "Japanese Landscape Prints by Ando Hiroshige (1797-1858)." The landscape woodblock print introduced by Hiroshige was perfected by Hiroshige. A different selection of prints will be on



A Chinese fortune-teller photographed by Hedda Morrison, in Sydney show.

show each month: "Views of famous places in Tokyo"; "The 53 stations of the Tokaido Road"; and provincial views from some of the artist's landscape series.

FRANCE

Dijon
Musée des Beaux-Arts (tel: 30.74.53.44). To Sept. 27: "L'Age d'Or Flamand et Hollandais: Collections de Catherine II." More than 40 paintings by 18th-century Dutch and Flemish artists, including Rubens, Jordans, Van Dyck, Hals, purchased under the aegis of Catherine the Great and now part of St. Petersburg's Hermitage Museum collection.

Metz
Musées de la Cour d'Or (tel: 87.75.10.18). To Oct. 26: "Peinture Flamande 1550-1700: La Réalité Magnifique." Flemish paintings, mostly from private collections, including works by Brueghel, Rubens, Van Dyck, and Jordans.

Paris
Théâtre du Châtelet (tel: 42.33.00.00). Sept. 24, 27, 29 and Oct. 3, 5: A new production of Richard Strauss's "Der Rosenkavalier," conducted by Armin Jordan.

Musée d'Orsay (tel: 40 49 48 65)
To Jan. 2, 1994: "From Cezanne to Matisse: Masterpieces from the Barnes Foundation in Philadelphia." Seventy-two pictures selected from the collection of Dr. Albert C. Barnes, who from 1912 until his death bought 2,000 art works, including an excep-

tional selection of late 19th- and early 20th-century paintings. Exhibited among others are Cezanne's "Les Grandes Baigneuses" and "Les Joueurs de Cartes," Renoir's "Le Déjeuner" and Matisse's "Le Bonheur de Vivre." The exhibition will travel to Tokyo and Philadelphia.

Musée du Petit Palais (tel: 42.65.12.73)
To Dec. 5: "Oeuvre d'Œuvre du Musée des Beaux-Arts de Leipzig." This exhibition includes works by 15th- and 16th-century German painters (Cranach the Elder); paintings by 17th-century Dutch painters (Hals and Steenbrink); drawings by Italian artists of the 16th and 17th centuries (Bernini); and 19th-century Romantic artists (Caspar David Friedrich).

GERMANY

Berlin
Charlottenburg Palace (tel: 42.92.73). Sept. 11-26: "Orangerie '83." An art and antiques fair with about 125 dealers will offer works from the Middle Ages, Renaissance, Baroque, Rococo, Classical periods down to the 20th century.

Bonn
Kunst und Ausstellungshalle der Bundesrepublik Deutschland (tel: 917.12.00). To Sept. 30: "Alexander Calder: The Monumental Sculptures." An exhibition on the museum's roof terrace of large sculptures by the American artist. In addition to the sculptures, "The Other Calder" is an exhibition of the artist's wire objects.

IRELAND

Dublin
The Irish Museum of Modern Art (tel: 71.86.86). To Oct. 3: "CIAS Members Collections." This exhibit of works collected by members of the Contemporary Irish Art Society, founded in 1982, can be looked upon as a microcosm of present day collectors' tastes in Ireland. The mixed media include pieces by the German Neo-expressionist Baselitz, and by William Scott, among others.

ITALY

Trent
Museo di Arte Moderna e Contemporanea (tel: 985.590). To Sept. 30: "Formalism: The New Feeling of Nature." Landscape, light and natural environment depicted in 150 works of European artists of the Romantic period, including Friedrich Constable, Turner, Corot, Courbet and Delacroix.

Venice
Fondazione Giorgio Cini (tel: 52.89.900). To Nov. 21: "Francesco Guardi: Vedute Capricci Feste." For the bicentennial of the Venetian artist's death, this exhibition features 23 large drawings and 50 paintings including views of the Grand Canal from the Thyssen Collection now in Madrid.

Palazzo Grassi (tel: 52.31.880)
To Jan. 4: "The Unknown Modigliani." More than 400 drawings by Italian artist Amedeo Modigliani from 1906 to 1924, until now the most obscure

period in his life. The drawings were purchased and collected by Paul Alexandre, who became the painter's closest friend and only patron upon his arrival in Paris in 1906. The exhibition will travel to Europe, Japan, the United States and Mexico until 1986.

JAPAN

Hiroshima
Hiroshima Museum of Art (tel: 223.2330). To Oct. 17: "Nicolas de Stael Retrospective." Oil paintings and sketches by the Russian painter, who was especially influenced by Braque and Bauhaus. His style is marked by bold masses and intricate tonality.

Kobe
Kobe City Museum (tel: 391.00.35). To Sept. 18: "The Netherlands and Japan." Features Dutch oil paintings of the 17th, 18th and 19th centuries and ancient Japanese maps, as well as ancient Japanese celadon and Western-style paintings by Japanese artists of the Edo period.

Tokyo
Hera Museum of Contemporary Art (tel: 34.45.06.51). To Oct. 31: "Fio Via Shiro." More than 50 paintings celebrate the 60th anniversary of the Japanese-born Brazilian painter, best known for his ability to merge figurative and abstract painting through deep browns, greys and blues that refer back to the Amazon jungle of his childhood.

NETHERLANDS

Amsterdam
Van Gogh Museum (tel: 570.52.00). To Nov. 14: "Louis Welden Hawkins." Works on display mark the transition the artist made throughout his career. He began as a Symbolist, then became entrenched in Impressionism (without leaving the ideals of the former movement behind). Later, he focused on the decorative arts.

POLAND

Warsaw
Festival of Contemporary Music (tel: 31.06.07). Sept. 18 to 25: The program includes works by Olivier Messiaen, Henryk Gorecki, Krzysztof Penderecki and Witold Lutoslawski, among others.

UNITED STATES

New York
New York City Opera at Lincoln Center (tel: 870.5570). Sept. 14, 22, Oct. 2: A new production of Sir Michael Tippett's "The Midsummer Marriage," with Dennis McNeil, Nina Warren and Elizabeth Futral, conducted by Christopher Keene.

Park Avenue, To Nov. 14: "Botero in New York." After Paris, New York exhibits 16 of Colombian artist Fernando Botero's monumental and voluptuously rotund bronze sculptures on Park Avenue. Among the works exhibited will be "Maternity," "Cec," "Beaching Venus" and "Woman with Mirror."

BOOKS

WHAT THEY'RE READING

• **Henry Pillsbury**, executive director of the American Center in Paris, is reading Michael Ondaatje's novel "The English Patient."

"It combines love, war, suffering and humor in time sequences which are not chronological but in the way people live time. The rush of past, present and future is hooked into the sentence structure itself. He has a deeply poetic sensibility." (Mike Zwerin, IHT)



tant historical topics, such as the relationship between law and race. For example, generalizing about the various Southern colonies' laws regarding slavery, Friedman writes as though these colonies' legal systems always aimed to subordinate blacks, particularly slaves, in society. Yet as Edmund Morgan's classic "American Slavery, American Freedom" explained, Virginia elites enacted the regime of white supremacy that Friedman assumes always existed only after Bacon's 1676 Rebellion revealed the danger that a poor-white/black-slave alliance posed to the established order. Similarly, Friedman dismisses as ineffective federal law enforcement against Klan terrorism in the Reconstruction South, even though one of his own sources—Eric Foner's magisterial Reconstruction

as a historian suggest that he is a victim of legal history's recent renaissance as well as the explosive growth in social history. Because so many historians have produced important but disparate work in both fields, it is nearly impossible for any scholar to master it all, let alone synthesize it adequately. Although several prominent historians have sadly noted that other historical specialties share the problem, none has suggested a satisfactory solution. Thus, the deficiencies of his effort notwithstanding, Friedman deserves respect for even attempting such a task.

Friedman returns to firmer ground in his concluding section, discussing the relationship between current social policy and the existing criminal justice system, as well as the potential results of various policy changes on contemporary crime. Thus, in suggesting that a substantial increase in sentence length for various offenses would not lower crime, Friedman points to a study of 1970s New York crime that found that for every 1,000 felonies committed, only 540 were reported to police and only 65 arrests and 36 convictions followed. It is unlikely, therefore, that mandatory, harsh sentences (for those actually convicted) would affect the crime rate, at least in the short run.

Bill Farrell, a writer and attorney, wrote this for The Washington Post.

CRIME AND PUNISHMENT IN AMERICAN HISTORY

By Lawrence Friedman. 577 pages. \$30. Basic Books.

Reviewed by Bill Farrell

DURING the 1968 presidential race, crime emerged as a potent issue in the United States, which it has remained, at least on a symbolic level. At roughly the same time, inspired by the legal historian J. Willard Hurst's work, young scholars, who frequently possessed both legal and historical training, transformed legal history from an arcane, justifiably ignored specialty into a growing, respected field of inquiry. Surprisingly, although legal history's renaissance coincided with the beginning of crime and punishment's reign as a key political question, few works of legal history have focused upon the general history of American criminal justice.

Lawrence Friedman, Stanford University's Marion Rice Kirkwood Professor of Law, has written a social history of "the American experience of crime" from colonial times to the present. However, as Friedman concedes, because the "criminal justice system is an umbrella label for certain people, roles, and institutions," the term is a vague one with no single meaning. Something similar could be said of this book—unfortunately, it lacks the focus required to fashion a coherent work from a vast amount of material.

Instead of choosing his subject matter judiciously, Friedman attempts to discuss almost everything even slightly related to crime throughout American history. The result is a collection of discrete discussions of separate topics, rather than an inclusive historical examination of a single, albeit multifaceted, one. Friedman addresses many topics—among them the Salem witch trials; the development of the American penitentiary system; the evolution of slave law, and the rise of professional police departments. He fails, however, to propose an analytic framework within which to interpret his vast subject matter.

Friedman's discussion of the possible effects of various social policies upon contemporary crime and the criminal justice system in the latter half of the book is much more successful than his treatment of historical material.

More troubling than Friedman's lack of analysis are the obvious gaps in his consideration of impor-

BRIDGE

By Alan Truscott

ONE OF the country's most experienced partnerships won the Life Master Pair Championship last July at the American Contract Bridge League's Summer Nationals. Dan Morse of Houston and John Sutherland of Dallas, came from behind with a 59 percent final session to win by almost a full board.

The standings were: in first, Morse and Sutherland with 1213.678 match points; in second, Tom Clarke of Lake Charles, Louisiana and Alan Le Bendig of Los Angeles with 1178.05; in third, William Root of Manhattan and Richard Pavlicek Sr. of Fort Lauderdale, Florida, with 1154.

On the diagrammed deal the winners of the Life Master Pairs reached a shaky four-heart con-

tract. West not unreasonably led a spade, the suit his partner had raised, and Morse as South won with the queen after throwing a club from the dummy. He then threw another club on the spade ace, cashed the club ace and ruffed a club.

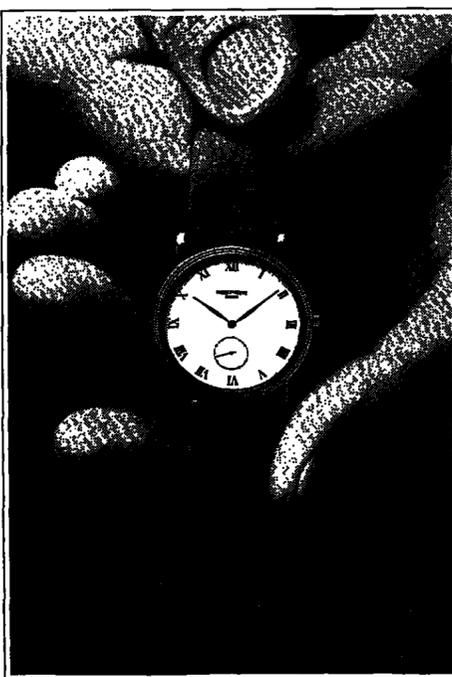
The remaining spade was thrown on the diamond ace and a trump was led. South was still worried, but there was no defense: If East gave his partner a club ruff the missing trumps would crash together subsequently. Three trump tricks was the limit for the defense.

An inspired defense, starting with the lead of a low trump, would have beaten the contract by three tricks since the dummy would have been useless. But South was safe after any other lead. If West led the heart ace and king, for example,

liquidating his partner's honors, South would unblock in his hand and reach dummy with the heart seven.

NORTH			
♠	7 8 2		
♥	A K 10 7 6 3 2		
♦	8 6 5		
WEST			
♠	10 4 2		
♥	A K 5		
♦	7 8 8		
♣	7 2		
EAST(D)			
♠	9 7 5 3		
♥	Q 3		
♦	Q 5 4		
♣	Q J 4		
SOUTH			
♠	A Q 6		
♥	10 8 8 4 3		
♦	—		
♣	A K 10 9 3		
North and South were vulnerable.			
The bidding:			
East	South	West	North
Pass	1 ♠	1 ♠	2 ♠
2 ♠	Pass	Pass	Pass
Pass	Pass	Pass	4 ♠
West led the spade ten.			

For more than a century and a half, Patek Philippe has been known as the finest watch in the world. The reason is very simple. It is made differently. It is made using skills and techniques that others have lost or forgotten. It is made with attention to detail very few people would notice. It is made, we have to admit, with a total disregard for time.



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BUSINESS

International Herald Tribune, Friday, September 10, 1993

THE TRIB INDEX: 108.39

International Herald Tribune World Stock Index of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.

The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Approx. Weighting	Index	Prev.	Chg.
Asia/Pacific	25%	127.90	127.90	0.00
Europe	40%	105.61	105.92	-0.31
N. America	35%	93.21	93.31	-0.10

Industrial Sectors	Index	Prev.	Chg.
Energy	106.29	106.52	-0.22
Utilities	114.91	115.00	-0.08
Finance	119.53	119.33	+0.17
Services	116.59	116.53	+0.04
Capital Goods	103.48	103.68	-0.19
Raw Materials	106.27	105.99	+0.28
Consumer Goods	90.53	90.24	+0.32
Miscellaneous	111.19	110.98	+0.19

Cadbury Launches A&W Bid

\$334 Million Tag For U.S. Growth

Compiled by Our Staff From Dispatches

LONDON — Cadbury Schweppes PLC, the world's third-largest maker of soft drinks behind Coca-Cola and PepsiCo, made an offer for A & W Brands Inc. Thursday, offering \$334 million on Thursday to purchase A & W Brands Inc. The friendly offer, which follows the recent expansion of its stake in Dr Pepper/Seven-Up Co. to 25.9 percent, will be financed by a nine-for-nine rights issue of more than \$2 million new Cadbury shares, to raise \$234 million (\$49 million). The new shares will cost 400 pence each.

Besides the A & W purchase, the rights issue will be used to help pay for the stake in Dr Pepper/Seven-Up and for investments in China and Poland.

A & W, known widely for its root beer, also announced Thursday that profit had surged 32 percent, to \$166.2 million, in the first half. Sales rose 16.3 percent, to \$1.71 billion.

Market analysts noted that two-thirds of the profit increase came from exchange rates and acquisitions, but they said the results were nevertheless above expectations in view of the current depressed market conditions.

Analysts said that Cadbury may be planning a complete takeover of Dr Pepper/Seven-Up, which is No. 3 in the United States.

Cadbury now runs a distant fourth in the U.S. market, which is valued at \$47 billion a year. Its purchase of A & W is expected to increase its share of the U.S. market to 5.6 percent from the current 3.4 percent.

David Wellings, chief executive of Cadbury, said the addition of A & W would add 60 percent to Cadbury's beverage sales in the United States and 20 percent to its global sales volume.

"A & W is one step, but the real play is in Dallas," said Tom Firth, president of the beverage industry consultancy Benchmark Inc., referring to the headquarters of Dr Pepper/Seven-Up.

A Cadbury buyout of Dr Pepper/Seven-Up, which has 10.6 percent of the U.S. market, or some business combination between the two companies, could create an entity that would control 16.2 percent of the business when A & W is included.

With that size, Cadbury would have better able to compete with Coca-Cola and PepsiCo, which together control more than 70 percent of the market.

Cadbury has had a small interest in Dr Pepper/Seven-Up since 1986, but last month it absorbed another 20.2 percent to bring its total stake to 25.9 percent. It insisted the move was friendly.

Dr Pepper/Seven-Up this month adopted a poison-pill clause to counter a possible takeover attempt if Cadbury's stake rose above 25 percent.

(Bloomberg, AP, Reuters, UPI)

Spokes in China's Wheels

Bike Maker Assails EC Dumping Duties

By Michael Richardson
International Herald Tribune

NUSA DUA, Indonesia — The European Community on Thursday applied a punitive anti-dumping duty on imports of bicycles from China, including high-tech mountain bikes, confirming the fears of many nations in East Asia that creeping protectionism is gaining ground in Europe.

In Brussels, the Community's chief economist said the duties of 30.4 percent would be effective beginning Saturday, replacing provisional duties of 34.4 percent imposed in March.

For China Bicycle Co., the imposition of the surcharge "completely wipes us out of the EC," which accounted for 35 percent of the company's exports, worth about \$50 million in 1992, said Stephen E. Codron, a Briton who is senior executive vice president.

Since opening the first of its two factories in Shenzhen, the special economic zone adjacent to Hong Kong, in 1984, China Bicycle has become the second-largest bicycle producer in the world.

In 1992, sales, predominantly of mountain and trekking bikes, were worth \$220 million. While sales in China are growing fast, more than three-quarters of output last year was exported to 31 countries, mainly to the United States, Europe and Australia.

China Bicycle, which is listed on the Shenzhen Stock Exchange, is majority-owned by

American and European investors, including the International Finance Corp., the private-sector arm of the World Bank, Barclay Trust International Ltd., Morgan Stanley Trust Co. and Banque Indosuez. Chinese investors own 16.1 percent of the company and Chinese local authorities 23.3 percent.

Mr. Codron said at a meeting this week of 600 business executives, officials and analysts from 15 Pacific rim nations that in making its ruling on the difference between domestic production costs of bicycle manufacturers in China and the prices they charged in Europe for their exports, the European Community had failed to send an inspection team to China to gather evidence.

"China was simply branded a state economy and all foreign-investment enterprises were regarded as being state-controlled," Mr. Codron said.

East Asian nations, whose rapid growth depends heavily on exports, see the dumping complaint from European bicycle manufacturers and similar complaints from an increasing number of companies within Europe about unfair Asian competition as a symptom of the Community's inability to compete internationally.

"I really fear the beginnings of what I would call the Yellow Peril syndrome" in Europe and some other areas of the world, said Noordin Sopiee, who is director general of Malaysia's Institute of Strategic and International Studies.

This anti-Asian trade policy, he said, had been directed first against Japan but was now being broadened so that "other East Asian nations get fixed as well."

Asians see France as the most vocal proponent of greater protection for EC industries against imports that can be made more cheaply in Asia or elsewhere.

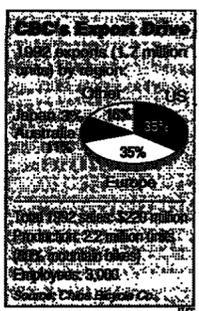
"Listen to what Balladur and Mitterrand say," Mr. Noordin observed. "The only thing they agree on is the Yellow Peril."

Prime Minister Edouard Balladur, leader of France's conser-

carries finance aircraft purchases and sustain its own production lines.

Mr. Dechelotte, who spoke to a European Community panel investigating the troubled airline industry, said the four Airbus partners were likely to make continued cutbacks and layoffs because of the slump in air travel.

Airbus has canceled orders for 146 Airbus planes in the past 18 months, "not to mention dozens and dozens of deferrals," he said. As a result, the consortium has slashed its planned production schedule through 1995 by a third, he said.



See BIKES, Page 17

Mark Advances Despite Rate Cut

By Bundesbank

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell below the important 1.60 Deutsche mark level late Thursday, as the German currency weathered Bundesbank interest-rate cuts without damage.

"There's a lot of talk that this will be the last rate cut for a long time," said David Glowacki, senior trader at NDB Bank in Detroit. "People want to buy marks."

The dollar fell to 1.5990 DM, down from 1.6146 at the close on Wednesday. Earlier in London, the dollar fell to 1.6015 DM from 1.6185 DM.

Economists said the decline of the dollar reflected the view that with German interest rates falling, the outlook for economic growth in Europe had improved relative to that in the United States.

Adrian James, economist at NatWest Capital Markets in London, said that with the half-point cuts in the Bundesbank's discount and Lombard rates, to 6.25 percent and 7.25 percent, respectively, "the Germans have done what they are going to do for the immediate future."

With three-month German interest rates about 3.5 percentage points above those of the United States, mark-denominated investments remained more attractive than those based in dollars, Mr. James said.

"It's the 10-basis-point repo-rate cut that most accurately reflects the

degree of easing involved today," said David Cocker, currency strategist at Chemical Bank in London. That underlines the fact that the slow, steady pace of rate cutting continues in Germany, he said.

The mark gained against other European currencies as other central banks followed the Bundesbank with their own rate cuts. The Dutch, Belgian, Austrian and Italian central banks all cut key rates after the Bundesbank, and the Bank of France lowered its five-to-10-day securities-repurchase rate, seen as the ceiling for French money markets, to 7.75 percent from 10 percent.

The French cut merely reassessed the French rate structure that existed before the collapse of the European Monetary System's exchange-rate mechanism in early August, analysts said. The Bank of France left its key intervention rate unchanged at 6.75 percent.

In European trading, the mark rose to 3.5284 francs from 3.5222.

Also in Europe, the dollar fell to 105.00 yen from 105.55 on Wednesday, to 1,4000 Swiss francs from 1,4227 and to 5.6450 French francs from 5.6875.

The pound rose to \$1,5508 from \$1,5395, although sterling fell to 2,4815 DM from 2,4887 DM.

Later in New York, the pound was quoted at \$1,5495, up from

See MARK, Page 14

WALL STREET WATCH

The Believers Are Betting 3DO's Box Will Wow 'Em

By John Markoff
New York Times Service

SAN FRANCISCO — The market for shares in 3DO Co., a tiny video-game start-up, shivered briefly last month after Nintendo Co., the Japanese video-game maker, and Silicon Graphics Inc., the American work-station vendor, announced a partnership in video games.

Shares of 3DO, based in San Mateo, California, in Silicon Valley, fell \$4, to \$26, on Aug. 20 when word leaked out that Nintendo was planning to use a peppy Silicon Graphics chip at the heart of its next-generation game player. But by Thursday, the stock had crept back up to \$27.50 by the close of trading.

The rapid renewal of investors' faith in 3DO, which was founded in 1991 by Trip Hawkins, a computer-game impresario, seems to be based on the company's blue-chip connections and focused vision of the future.

Closely watched by investors as well as the rest of the computer and video-game industry, 3DO has an impressive list of partners, including Time Warner, Sanyo, Matsushita and AT&T.

It has widely demonstrated a prototype of a videodisk player with graphics that are far superior to those of the current generation of video games. Moreover, while it has not yet announced a box with either a telephone or cable connection, the company has said it is moving in that direction and will introduce such a product next year.

Some market watchers and industry analysts are still shaking their heads over 3DO's current market valuation of more than \$59 million, but they say that despite Nintendo's obvious market power, it is much too early to count Mr. Hawkins out.

"The valuation is nuts," said Michael Murphy, publisher of the California Technology Stock Letter. "But when you have nutty valuations, it doesn't matter if you have true believers."

While most video-game players sell for well under \$200, the first 3DO multiplayer, due out from Matsushita's Panasonic unit in October, will initially be priced at \$699. But that is not the issue, some analysts say.

At the heart of 3DO's confidence is the company's contention that it is not building a new stand-alone video-game machine, but a box that integrates a variety of home-entertainment appliances, including video games, stereos and cable converters.

The Nintendo-3DO franchise hinges on which chip standard will dominate and capture the allegiance of software developers and other publishers. Nintendo, with the MIPS chip from Silicon Graphics, says it has the more powerful processor.

Airbus Pleads for Government Aid on Research

By Tom Buerkle
International Herald Tribune

BRUSSELS — Airbus Industrie pleaded Thursday for a major infusion of research-and-development aid from European governments, saying such support was essential to its plans to build a 600-seat aircraft and crack Boeing Co.'s monopoly on the lucrative jumbo-jet market.

Michel Dechelotte, director of international relations for Airbus, also called for government loans to help weaker European

German Airbus to Cut 2,700 Jobs

By Tom Buerkle
International Herald Tribune

BONN — Deutsche Aerospace Airbus GmbH, the German arm of Airbus Industrie, said Thursday it would ax 2,700 jobs by 1995 because of flagging demand on the world aircraft market.

Deutsche Aerospace AG, which owns Deutsche Aerospace Airbus, made the disclosure after the workers' council had said 3,000 jobs would go.

The workers' council said the reductions would affect nine of Germany's Airbus production sites, sparing only the plant in Dresden in Eastern Germany.

The workers accused the management of losing market share by being slow in adapting the Airbus

German Airbus to Cut 2,700 Jobs

range to changing markets and slumping worldwide sales.

But Christian Poppe, spokesman for DASA, which is the aerospace division of Daimler-Benz AG, rejected the accusation.

He said that Airbus had not lost any ground. Airbus does suffer from weak demand, he said, but it was not as badly off as the rest of the industry.

While Deutsche Airbus is cutting 2,700 of its 20,000 jobs, or about 13 percent of the work force, Airbus Industrie's main competitor, Boeing Co. of the United States, is slashing more than 20 percent, he said. "The market strategy of Airbus Industrie is one of the best we have," Mr. Poppe said. "We have reached

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Herald Tribune

CURRENCY & INTEREST RATES

Cross Rates	Sept 9
Australian	1.708
Brazilian	2.880
Canadian	1.410
French	163.80
German	1.600
Japanese	105.00
Swiss	1.480
UK	1.540
US	1.000

Eurocurrency Deposits	Sept 9
1 month	3 1/4 - 3 1/2
3 months	3 1/4 - 3 1/2
6 months	3 1/4 - 3 1/2
1 year	3 1/4 - 3 1/2

Key Money Rates	Sept 9
Discount rate	5.00
Prime rate	5.50
Federal funds	5.25
3-month CDs	5.25
6-month CDs	5.25
9-month CDs	5.25
1-year CDs	5.25

Other Dollar Values	Sept 9
Canada	1.410
France	163.80
Germany	1.600
Japan	105.00
UK	1.540
US	1.000

It May Be Goofy, But Turner Bugs France With Cartoons

By Jacques Neher
International Herald Tribune

PARIS — Mickey, Minnie, Donald and Goofy have won work permits to eke out a hard-scrabble living on the outskirts of Paris. But France is trying to deny visas to the likes of Bugs, Yogi and Porky.

In so doing, it is giving Ted Turner an expensive lesson in the Looney Toon world of French industrial and cultural politics, while challenging an accord meant to eliminate European Community borders for television signals.

Indeed, Mr. Turner, the flamboyant founder of Cable News Network, may have to make a go of it with his new TNT & Cartoon Network without much of the French market, making the European venture that much more risky.

The London-based network, set to begin operating Sept. 17, has been effectively barred from the French cable market — about 1 million homes — as Paris tries to protect its production industry.

The government, claiming the network violates EC quotas on program content, has threatened to fine French cable-television operators, and even revoke their operating licenses, if they sign on with Turner.

The issue has moved to Brussels as Paris and London square off over interpretation of Europe's Television Without Frontiers directive. This regulation, which went into effect in 1991, permits a cable or satellite network to operate in any EC country if it has obtained an operating license in one of the 12 countries.

It also called for such networks to carry a majority of programming originating in Europe, where practicable. The problem, claims the Turner camp, is that a classic film and cartoon channel leaves no room for new programs, let alone European programs.

"When we say classic movies, we certainly don't mean new movies," said Mark Rudolph, managing director of London-based Turner International Sales, in charge of launching the network.

TNT & Cartoon Network will combine programming from Turner Network Television, launched in 1988 and now available to 58 million homes in the United States, and the Cartoon Network, started last fall in the United States by Mr. Turner.

The satellite-based network will draw from Mr. Turner's library of more than 8,500 cartoons produced under the MGM, Warner Brothers and Hanna-Barbera banners, as well as 2,500 Hollywood classics featuring the likes of Bette Davis, Gene Kelly and Katharine Hepburn.

Mr. Rudolph said the network, which has been licensed to operate in Britain, was in "complete compliance" with the Television With-

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TÜRLER
JEWELLERY & WATCHES

See TV, Page 15

MARKET DIARY

Secondary Stocks Outpace Blue-Chips

NEW YORK — Stocks rose Thursday, following two days of losses, with secondary indexes posting spirited gains while blue-chip issues merely edged higher.

N.Y. Stocks

reacted negatively to a report that Congress was considering a tax on interest earned by overseas investors on Treasury issues.

The Dow Jones industrial average edged 0.56-point higher, to 3,589.49, while advancing issues outpaced declines by about a 9-to-7 ratio on the New York Stock Exchange.

The Dow Jones industrial average edged 0.56-point higher, to 3,589.49, while advancing issues outpaced declines by about a 9-to-7 ratio on the New York Stock Exchange.

MARK: Rate Cut Did Not Hurt

Continued from Page 13 The reports directly pressured bond prices, and lent some support to gold. The active December gold contract on the Commodity Exchange rose \$2.90, to \$356.60 an ounce.

Foreign Exchange

other hand, there was speculation European central banks were selling dollars for marks to repay the Bundesbank for intervening to support their currencies late July and early August. That helped accelerate the dollar's slide.

bonds, but they helped a stock market that has been worried in recent days about a weak outlook for corporate profits.

The bond market is not doing great today," said Ronald Doran, director of institutional trading at C.L. King & Associates, "and there's some concern about earnings for the next couple of quarters, but there's still money coming in that's going to be put to work."

Hanson was the most active issue on the New York Stock Exchange, up 1/4 at 194 in dividend-related trading. The London-based holding company's American Depository Receipts will trade ex-dividend Friday.

Royal Dutch Petroleum followed, rising 1/4 to 101 1/2, after a dividend increase.

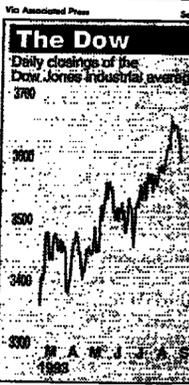
Citicorp led a rise in bank issues, which were higher on analysts' expectations of strong third-quarter earnings among the major U.S. banks.

Turner Broadcasting Class B led the American Stock Exchange actives, down 3/4 at 25 1/2. France is blocking Turner's plans to sell a cartoon-and-classic-movie channel.

Intel led the OTC actives, up 1/4 at 64 1/2. Intel and MCI agreed to develop ways to integrate personal computers and telephones. MCI rose 1/4 to 28.

On the New York Stock Exchange, Motorola was up 1 1/2 at 93 1/2 and Texas Instruments gained 1 1/2 to 77 1/2.

(UPI, Bloomberg, AP, Knight-Ridder)



NYSE Most Actives

Table listing NYSE Most Actives with columns for Volume, High, Low, Last, and Change. Includes stocks like Hanson, Citicorp, and Intel.

AMEX Most Actives

Table listing AMEX Most Actives with columns for Volume, High, Low, Last, and Change. Includes stocks like Royal Dutch, Citicorp, and Intel.

NYSE Diary

Table listing NYSE Diary with columns for Advancing, Declining, Total Issues, and New Issues.

Amex Diary

Table listing Amex Diary with columns for Advancing, Declining, Total Issues, and New Issues.

NASDAQ Diary

Table listing NASDAQ Diary with columns for Advancing, Declining, Total Issues, and New Issues.

Dow Jones Averages

Table showing Dow Jones Averages for Industrial, Composite, and Utility indices.

Standard & Poor's Indexes

Table showing Standard & Poor's Indexes for Industrial, Composite, and Utility indices.

NYSE Indexes

Table showing NYSE Indexes for Composite, Industrial, and Utility indices.

NASDAQ Indexes

Table showing NASDAQ Indexes for Composite, Industrial, and Utility indices.

AMEX Stock Index

Table showing AMEX Stock Index for Composite, Industrial, and Utility indices.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages for 20 Bonds, 10 Utilities, and 10 Industrials.

Market Sales

Table showing Market Sales for NYSE, AMEX, and NASDAQ.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading for various stocks.

S&P 100 Index Options

Table showing S&P 100 Index Options for various strikes and expirations.

EUROPEAN FUTURES

Table showing European Futures for various commodities like Gold, Silver, and Copper.

Food

Table showing Food futures for various commodities like Soybeans, Corn, and Wheat.

COFFEE (ICE)

Table showing COFFEE (ICE) futures for various grades.

WHITE SUGAR (ICE)

Table showing WHITE SUGAR (ICE) futures for various grades.

Metals

Table showing Metals futures for various commodities like Aluminum, Zinc, and Lead.

3-MONTH STERLING (LIFFE)

Table showing 3-MONTH STERLING (LIFFE) futures.

3-MONTH EURO-DOLLAR (LIF-7)

Table showing 3-MONTH EURO-DOLLAR (LIF-7) futures.

3-MONTH EURO-DOLLAR (LIF-7)

Table showing 3-MONTH EURO-DOLLAR (LIF-7) futures.

LOANS (LIF-7)

Table showing LOANS (LIF-7) futures.

Stock Indexes

Table showing Stock Indexes for various markets like FTSE 100, Nikkei, and Hang Seng.

Spot Commodities

Table showing Spot Commodities for various goods like Wheat, Corn, and Soybeans.

Dividends

Table showing Dividends for various stocks.

Companies Give Boost to Economy

WASHINGTON (UPI) — In a clutch of good news on the economy, the government said Thursday that American companies had raised their capital-spending plans for 1993 and were more productive than originally believed in the second quarter.

In addition, the number of jobless Americans filing new claims for unemployment-insurance benefits decreased in the first week of September to its lowest mark in more than four years, government data said.

In its report on capital spending, the Commerce Department said U.S. companies now expected to increase outlays on plant and equipment 7.1 percent during 1993 — the largest annual rise in four years.

MCI and Intel Agree to Join Forces

NEW YORK (AP) — MCI Communications Corp. on Thursday became the first long-distance telephone company to formally agree to work with Intel Corp., the largest computer chipmaker, on ways to integrate telephones and personal computers.

The deal involves no monetary transactions but the companies plan to share ideas, particularly on long-distance voice and data networking. Intel has made similar arrangements with the local-exchange carriers Ameritech, Bell Atlantic and Pacific Bell and with two European telecommunications firms, LM Ericsson AB and Siemens AG.

Kwelm Offers Payment to Creditors

NEW YORK (AP) — Liquidators for Britain's biggest property and casualty insurance failure proposed on Thursday paying about 40 cents on the dollar to thousands of creditors, most of them in the United States, who are owed an estimated \$5 billion.

The plan released by the provisional liquidators is aimed at settling debts from the collapse of the so-called Kwelm companies. The five British insurance companies failed in 1990, leaving over 100,000 policyholders in the lurch — 90 percent of them in the United States. Under the plan, repayment would begin next year and occur over 15 or more years.

Lorenzo Blocked in Airline Bid

NEW YORK (NYT) — Capping months of opposition from Washington lawmakers and labor unions, a judge appointed by the Department of Transportation has ruled against Frank A. Lorenzo's bid to re-enter the airline industry with a low-cost carrier serving the East Coast.

The judge, Robert L. Barton Jr., said Wednesday that although Mr. Lorenzo's company, ATX Inc., had the money and management expertise to run a scheduled carrier, it "lacks the proper compliance disposition." The judge indicated that he faulted the attitude of Mr. Lorenzo and his lawyers as much as their ability to fulfill procedural demands.

Chevron Spends on Environment

LOS ANGELES (Combined Dispatches) — Chevron Corp. said Thursday it would spend about \$950 million to upgrade two California refineries to meet cleaner gasoline standards mandated by federal and California laws.

Chevron also launched a program to buy 3,900 pre-1972 heavily polluting cars in exchange for a delay from regulators in installing new pollution-control equipment at its marine terminal. (AP, UPI)

For the Record

Campbell Soup Co. said earnings had risen 12 percent in the quarter ended Aug. 1, to \$122 million, reflecting in part the added results from the Australian cookie maker Arnotts Ltd. (Bloomberg, UPI)

CS First Boston Group named Allen Wheat, the head of its lucrative derivatives business, as president and chief operating officer. (Bloomberg) PepsiCo Inc. said it would take a tax-related charge of about 5 cents a share against third-quarter earnings. (Bloomberg)

WORLD STOCK MARKETS

Agency France Press Sept. 9

Large table showing World Stock Markets with columns for Market, Index, High, Low, Last, and Change. Includes sections for Amsterdam, Paris, Tokyo, Singapore, Milan, London, Frankfurt, Zurich, and Montreal.

Chancellor Preaches Peace at Auto Fair

By Brandon Mitchener International Herald Tribune

FRANKFURT — Chancellor Helmut Kohl, in an official visit Thursday to the Frankfurt Auto Show, tried to help mend fences between rival German automakers and the companies that supply them with parts.

"The automotive industry is undergoing a deep structural change in which costs and productivity

U.S. FUTURES

Via Associated Press Sept. 9

Grains

Table showing U.S. Futures for Grains like Wheat, Corn, and Soybeans.

Metals

Table showing U.S. Futures for Metals like Gold, Silver, and Copper.

Livestock

Table showing U.S. Futures for Livestock like Cattle and Hogs.

Financial

Table showing U.S. Futures for Financial instruments like Treasury Bonds and Notes.

Stock Indexes

Table showing U.S. Futures for Stock Indexes like S&P 500 and Dow Jones.

Commodity Indexes

Table showing U.S. Futures for Commodity Indexes like Energy and Agriculture.

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BTR Results Get a Boost From U.S.

Compiled by Our Staff From Dispatches
LONDON — BTR PLC said Thursday its pretax earnings had risen 10 percent in the first half as a result of the improved performance of all its businesses, particularly those in the United States.
 BTR earned \$502 million (\$927 million) in the first half, after financing costs, up from \$548 million a year earlier. Excluding the costs, pretax profit rose to \$684 million from \$645 million.
 Revenue rose 13 percent, to \$4.87 billion from \$4.31 billion.
 Separately, Hagemeyer NV of the Netherlands agreed to buy BTR's Newey & Eyre electrical-distribution unit for an estimated total of \$165 million.
 Hagemeyer said the initial purchase price would be \$110 million, with an additional \$55 million following, depending on sales and profit developments at Newey & Eyre in 1994 and 1995.
 Despite the improved earnings, BTR executives were cautious. "Continental Europe is still falling quite heavily and that's quite an important area for us," Chief executive Alan Jackson said in a telephone interview. (Bloomberg, Reuters)

Sales Surge Lifts Glaxo Profit

Compiled by Our Staff From Dispatches
LONDON — Glaxo Holdings PLC, the world's largest pharmaceutical company based on sales, said Thursday that its pretax earnings for the financial year ended June 30 had risen 17.4 percent as a result of a 20 percent increase in sales and currency fluctuations.
 Glaxo made a pretax profit of £1.67 billion (\$2.5 billion) for the year, about in line with analysts' expectations. Sales totaled £4.93 billion, up from £4.09 billion the previous year.
 The company was also helped by gyrating exchange rates; it said that on the basis of unchanged rates, its sales would have risen 11 percent in a market that grew by 8 percent.
 Revenue was boosted by a 20 percent jump in sales of the company's high-performing anti-ulcer

drug Zantac, up to £2.17 billion, equivalent to 44 percent of its total sales.
 Zantac remains the world's most prescribed drug and Glaxo said it would continue with a legal battle to prevent the Canadian company Novopharm from marketing a product containing the main element of Zantac.
 Despite an uncertain future facing the worldwide health-care industry, Glaxo raised its second-half dividend to 22 pence per share, from 17 pence a year earlier, reflecting its belief in the potential of further growth.
 Investors were cheered by the earnings, which sent the shares climbing 27 pence to 628 pence.
 The uncertainty surrounding the future of Zantac and continuing worries about the world health-care market are causing the company to sit on its large cash surplus. (Bloomberg, AFP)

Nestlé's Earnings Rise 6% Despite Global Recession

Compiled by Our Staff From Dispatches
ZURICH — Nestlé SA, Europe's biggest food and beverage company, said Thursday that it had bucked recession in the first six months of 1993 with a 6 percent jump in net profit, and it forecast a satisfactory increase in earnings for the full year.
 The company also expressed confidence in its major brands, shrugging off stock-market worries about the value of branded products after the decision of Philip Morris Cos. in April to slash the price of Marlboro cigarettes.
 Nestlé's group net profit rose to 1.25 billion Swiss francs (\$887 million) in the first six months, from 1.18 billion a year earlier.
 The company, which is based in Vevey, called the 6 percent rise in first-half profit satisfactory in light of the severe recession in Europe, which has hurt consumer spending.
 Group sales for all of 1993 are expected to grow faster than in the first six months, the company said. In July, Nestlé had reported that its first-half sales were 27.45 billion francs, a 4.4 percent increase.
 On Thursday, it said Philip Mor-

ris's move had led to fears that brands were no longer as important as before. This had hit the shares of all consumer-goods companies, Nestlé said.
 Nestlé's registered shares have lost about 8 percent since Jan. 1, while the Swiss Performance Index has gained 21.6 percent. The stock closed at 1,070 francs on Thursday, down 2.
 Still, Nestlé argued that "major brands remain a trump card." They guarantee superior and recognized quality, backed by heavy research and development, and offer the consumer satisfaction, safety and value for money.
 Analysts believe that Nestlé, to protect and promote its brands, may have spent more on marketing than in the previous year. They drew this conclusion because operating margin — operating profit as a percentage of sales — was a lower-than-expected 9.8 percent.
 In absolute terms, operating profit in the period rose to 2.69 billion francs, up 4.8 percent.
 Nestlé said its sales rose by 5.5 percent in volume. (Reuters, Bloomberg)

Investor's Europe			
Exchange	Index	Thursday Close	Prev. Close
London	FTSE 100 Index	2,948.50	2,972.70
Paris	CAC 40	1,521.72	1,515.15
Frankfurt	DAX	1,688.81	1,685.29
Amsterdam	AEX	725.59	722.30
Berlin	INDEX	1,083.57	1,080.02
Brussels	FTSE 100	3,031.20	3,035.40
Madrid	IBEX 35	294.42	294.49
Stockholm	OMX	1,305.00	1,307.00
Oslo	OSLO 40	2,106.75	2,129.44
Stockholm	Stock Index	1,521.72	1,515.15
Stockholm	Stock Index	N.A.	427.77
Stockholm	Stock Index	250.90	825.00

Very briefly:

- Olivetti SpA, the Italian computer maker, and Hughes Network Systems of the United States have signed an agreement for the provision of telecommunication services within Europe, Olivetti said.
- France sold 3.17 percent of its shares in Total SA for 2.06 billion francs (\$362 million) on the stock market, reducing its stake to 5 percent.
- Union des Assurances de Paris will increase its stake in Banque Nationale de Paris to 15 percent from 10 percent when the bank is privatized, the French Economy Ministry said.
- Treuhänderstat, the agency responsible for selling enterprises in Eastern Germany, said prosecutors were probing 450 cases of suspected fraud totaling more than 2.7 billion Deutsche marks (\$1.67 billion).
- Arjo Wiggins Appleton PLC, the British-French paper company, reported a net profit in the first half had fallen 52 percent, to £9.1 million, despite a strong performance in the United States.
- France posted a record trade surplus in May of 10.88 billion francs from 5.83 billion francs in April.
- British Gas PLC said that its net profit in the first half fell slightly to £634 million, from £637 million a year ago, as overseas sales offset the effect of a profitability drop in the British market. AP, AFP, Bloomberg, Reuters

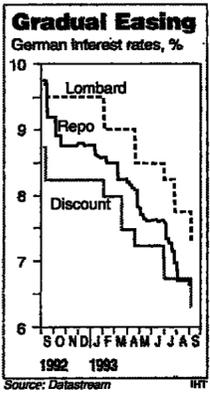
Fortis Net Rose 20% in Half

Bloomberg Business News
AMSTERDAM — Fortis Finance NV's net income in the first half rose 20 percent, to 226.7 million European Currency Units (\$267.7 million), the company said Thursday, boosted by currency movements and the sale of its stake in Belgium's Générale de Banque SA.
 The Dutch-Belgian holding company, which combines the activities of the Dutch banking and insurance company AMEV NV and the Belgian financial company Fortis AG, did not say how much it gained from the sale of the stake in Générale de Banque.
 Fortis said it expected higher results for the full year and said that it had taken restructuring charges in the first half that would be used "in the near future."
 Operating income in the first half rose 13 percent, to 218.9 million Ecu.

GERMANY: Bundesbank Cuts Key Interest Rates

Continued from Page 1
 Marian, a veteran Bundesbank watcher at Helaba, a bank in Frankfurt. "The commentators would have said monetary policy was being written in Bonn."
 Before he joined the Bundesbank, Mr. Tietmeyer was a senior government official. Likewise, some analysts suggested Mr. Schlesinger would have been reluctant to cut rates at his last board meeting, on Sept. 23.
 Economists at Goldman Sachs put it this way: "The monetary easing represents a down payment for a future slowdown in money supply growth and gives Bundesbank president-designate Tietmeyer time to contemplating the timing of the next move."
 The Bundesbank described its action as an extension of its policy of "cautiously reducing interest rates" as conditions allowed.
 The Bundesbank justified the rate cuts by saying it now appeared that "monetary growth may turn out to be lower than was to be feared in light of the massive ex-

change market interventions at the end of July," at the time of the European currency crisis.
 The Bundesbank has been concerned about the growth of the M-3 measure of money supply, which it wants to hold to 4.5 percent to 6.5 percent this year, but which has risen above 7 percent during the summer. The central bank also asserted that there had been recent signs "of a gradual slackening of the rate of inflation."
 Excluding administrative influences such as taxes and public fees, consumer prices were up 3.4 percent in the six months from March to August from a year earlier.
 Mr. Schlesinger expressed hope that the Bundesbank's action, which many market players expected when its board met two weeks ago, would act as a vent to pressure built up in financial markets.
 "We expect markets will not be influenced as much as in the past by expectations of falling interest rates," he told a German news service. "We've already come a long way toward lower rates."
 Kermit Schoenholtz, an economist at Salomon Brothers in London, predicted another cut in the discount rate in the fourth quarter, followed by further cuts next year.



TV: Bugs Held Up at French Border

Continued from Page 13
 out Frontiers directive and that no country but France had objected.
 Stuart Paterson, spokesman for Britain's Independent Television Commission, which granted the license, said that compliance with the directive requiring a majority of European programming was not a condition for granting the license. Further, he said the "where practicable" clause in the directive clearly was meant to exempt networks offering thematic programming, such as a classic film or cartoon channel.
 "This is not our business, we're not here to police or enforce the directive," Mr. Paterson said. "If the French have a beef, they should take it to Brussels."
 EC communications officials were meeting on the subject Thursday and could not be reached for comment.
 A spokeswoman for the French broadcasting authority said it was asked by the communications minister, Alain Carignon, to examine the first two weeks of programs proposed by the new network.

When no European-made programs were found in the line-up, she said the authority was directed to warn cable operators that they risked heavy sanctions if they carried Mr. Turner's programs.
 She said the "real worry" was that other foreign broadcasters would follow and that ultimately French networks would challenge the European quotas.
 The Turner offering, however, can be received by around 100,000 French households equipped with satellite antennas.
 The French policy, said Mr. Rudolph, was self-defeating because by depriving cable operators of quality and diversified programming choices, it prevents the French cable industry from developing.
 Lyonnaise Communications, the company that operates the Paris cable system, is in favor of the Turner project, while the country's other major cable operator, Compagnie Générale des Eaux — in a joint venture with Canal Plus SA on a satellite network of its own — is siding with the government.

Christies Profit Shows Recovery In Art Market

Reuters
LONDON — Christie's International PLC, the world's oldest art auctioneer, said Thursday its first-half pretax profit had more than doubled, showing the market was recovering from recession.
 Profit rose to £7.06 million (\$10.9 million) from £2.11 million in the first half of 1992, boosted by the depreciation of the pound. Sales rose 14 percent, to £229 million, but after removing effects of currency fluctuations, the rise would have been just 4 percent.
 The sales paled against the £722 million in the first half of 1990, when the market peaked.
 Christie's increased the commission it takes on each sale to 15 percent of the first £30,000 bid, and 10 percent thereafter. Previously, it took a flat 10 percent premium.

NASDAQ

Thursday's Prices
 NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Div	Yld	PE	Ratio	High	Low	Latest	Chg
100	90	1.00	4.00	15.00	1.50	100	90	100	0
110	100	1.20	4.50	16.00	1.60	110	100	110	0
120	110	1.40	5.00	17.00	1.70	120	110	120	0
130	120	1.60	5.50	18.00	1.80	130	120	130	0
140	130	1.80	6.00	19.00	1.90	140	130	140	0
150	140	2.00	6.50	20.00	2.00	150	140	150	0
160	150	2.20	7.00	21.00	2.10	160	150	160	0
170	160	2.40	7.50	22.00	2.20	170	160	170	0
180	170	2.60	8.00	23.00	2.30	180	170	180	0
190	180	2.80	8.50	24.00	2.40	190	180	190	0
200	190	3.00	9.00	25.00	2.50	200	190	200	0

12 Month High	Low	Div	Yld	PE	Ratio	High	Low	Latest	Chg
210	200	3.20	9.50	26.00	2.60	210	200	210	0
220	210	3.40	10.00	27.00	2.70	220	210	220	0
230	220	3.60	10.50	28.00	2.80	230	220	230	0
240	230	3.80	11.00	29.00	2.90	240	230	240	0
250	240	4.00	11.50	30.00	3.00	250	240	250	0
260	250	4.20	12.00	31.00	3.10	260	250	260	0
270	260	4.40	12.50	32.00	3.20	270	260	270	0
280	270	4.60	13.00	33.00	3.30	280	270	280	0
290	280	4.80	13.50	34.00	3.40	290	280	290	0
300	290	5.00	14.00	35.00	3.50	300	290	300	0

12 Month High	Low	Div	Yld	PE	Ratio	High	Low	Latest	Chg
310	300	5.20	14.50	36.00	3.60	310	300	310	0
320	310	5.40	15.00	37.00	3.70	320	310	320	0
330	320	5.60	15.50	38.00	3.80	330	320	330	0
340	330	5.80	16.00	39.00	3.90	340	330	340	0
350	340	6.00	16.50	40.00	4.00	350	340	350	0
360	350	6.20	17.00	41.00	4.10	360	350	360	0
370	360	6.40	17.50	42.00	4.20	370	360	370	0
380	370	6.60	18.00	43.00	4.30	380	370	380	0
390	380	6.80	18.50	44.00	4.40	390	380	390	0
400	390	7.00	19.00	45.00	4.50	400	390	400	0

12 Month High	Low	Div	Yld	PE	Ratio	High	Low	Latest	Chg
410	400	7.20	19.50	46.00	4.60	410	400	410	0
420	410	7.40	20.00	47.00	4.70	420	410	420	0
430	420	7.60	20.50	48.00	4.80	430	420	430	0
440	430	7.80	21.00	49.00	4.90	440	430	440	0
450	440	8.00	21.50	50.00	5.00	450	440	450	0
460	450	8.20	22.00	51.00	5.10	460	450	460	0
470	460	8.40	22.50	52.00	5.20	470	460	470	0
480	470	8.60	23.00	53.00	5.30	480	470	480	0
490	480	8.80	23.50	54.00	5.40	490	480	490	0
500	490	9.00	24.00	55.00	5.50	500	490	500	0

12 Month High	Low	Div	Yld	PE	Ratio	High	Low	Latest	Chg
510	500	9.20	24.50	56.00	5.60	510	500	510	0
520	510	9.40	25.00	57.00	5.70	520	510	520	0
530	520	9.60	25.50	58.00	5.80	530	520	530	0
540	530	9.80	26.00	59.00	5.90	540	530	540	0
550	540	10.00	26.50	60.00	6.00	550	540	550	0
560	550	10.20	27.00	61.00	6.10	560	550	560	0
570	560	10.40	27.50	62.00	6.20	570	560	570	0
580	570	10.60	28.00	63.00	6.30	580	570	580	0
590	580	10.80	28.50	64.00	6.40	590	580	590	0
600	590	11.00	29.00	65.00	6.50	600	590	600	0

12 Month High	Low	Div	Yld	PE	Ratio	High	Low	Latest	Chg
610	600	11.20	29.50	66.00	6.60	610	600	610	0
620	610	11.40	30.00	67.00	6.70	620	610	620	0
630	620	11.60	30.50	68.00	6.80	630	620	630	0
640	630	11.80	31.00	69.00	6.90	640	630	640	0
650	640	12.00	31.50	70.00	7.00	650	640	650	0
660	650	12.20	32.00	71.00	7.10	660	650	660	0
670	660	12.40	32.50	72.00	7.20	670	660	670	0
680	670	12.60	33.00	73.00	7.30	680	670	680	0
690	680	12.80	33.50	74.00	7.40	690	680	690	0
700	690	13.00	34.00	75.00	7.50	700	690	700	0

سكدا من الأصل

SPORTS SOCCER

SOCCER: Ban Overturned

Continued from Page 1

France from international competition if the federation did not order Mr. Tapie to drop his lawsuit. But FIFA's secretary-general, Joseph Blatter, said later that only Marseille would be suspended if the suit were not withdrawn.

"French soccer is not concerned by this suspension, but only Marseille and its players," he said.

Last week, FIFA threatened the French national team with an international ban unless the French federation took action against Marseille by Sept. 23.

After a 2-0 victory over Finland on Wednesday, France is virtually assured of qualification for the 1994 World Cup finals, which will be played in the United States. A ban would thus have devastating consequences. Moreover, France has been selected to stage the 1998 World Cup.

"I demanded that my rights be respected," Mr. Tapie said Thursday in his first statement since his club was banned. "Since they were not, I asked for the arbitration of the Bern court. The Bern decision has the merit of being based in common law — a system in which you are able to defend yourself and to appeal."

As he spoke, the police searched the Paris headquarters of his business empire, Bernard Tapie Finance, breaking down the door of his office in search of further evidence in the bribery case. Undeterred, Mr. Tapie withdrew threats to resign as chairman of Marseille and said he had decided to fight on.

Mr. Tapie — and the bulk of French soccer fans — were outraged by the UEFA ban because neither the French federation nor public prosecutors investigating the case have yet reached a decision. No one has been formally charged or convicted in the case.

Surveys published in French newspapers have shown that two-thirds of the population believes Marseille's banishment was unfair.

UEFA, FIFA Officials Call Crisis Meeting After Court Setback

Compiled by Our Staff From Dispatches

PARIS — International soccer chiefs ordered a crisis meeting Friday in Zurich after the Swiss court overturned Marseille Olympique's European Cup ban and gave a clear warning that France could be suspended from international competition.

In an interview with French television, Sepp Blatter, general secretary of the international governing body FIFA, said the meeting of soccer bosses in Zurich represented a "last chance for France."

Blatter said the French federation's president, Jean Fourquet-Fayard, had been summoned to the meeting and told he must put pressure on the Marseille team's owner, Bernard Tapie, to withdraw his court action.

"We have insisted that France put pressure on Mr. Tapie to withdraw his legal action," Blatter said. "This is the meeting of the last chance for France."

Earlier, FIFA had sent a telex to the French federation pointing out that clubs have no right to take sporting disputes to civil courts and reminding them that the penalties for breaking the rules included suspension from international competition.

Blatter said FIFA's president, Joao Havelange, and UEFA's president and general secretary, Lennart Johansson and Gerd Aigner, would be at the 9 A.M. meeting at FIFA's headquarters in Zurich.

Blatter said he had talked to Tapie by phone before the court verdict was announced and that the Marseille boss had indicated he would be withdrawing his legal action within half an hour.

"But it wasn't done," he said. "That's why we are very surprised by this situation."

Blatter had said earlier that the federation had been told it should suspend Marseille from the French championship unless Olympique complied.

Tapie, interviewed on the same program on the French independent channel TF1, said there had never been any question of withdrawing and insisted that his club had been denied the basic right to defend themselves before UEFA.

"There's no question of me withdrawing my court action," he said. "Whatever the FIFA and UEFA rules, everybody affiliated to them must have the elementary right to be defended and to appeal against all decisions."

"We have not been invited to make our case, we have not been heard nor defended and we have not been allowed to appeal."

Adding to the confusion, FIFA's chief spokesman, Guido Tognoni, said earlier that Tapie had promised to withdraw the appeal in a telephone conversation with Blatter.

"Tapie called Blatter personally and told him he would withdraw the lawsuit," Tognoni said in Zurich, where FIFA is based. "He also

said he would confirm that in due form. That confirmation has not arrived, however."

"Blatter simply explained to him FIFA's view of things," Tognoni said in a telephone interview. "In the course of that conversation, Tapie said he will drop the lawsuit."

Marseille's Swiss lawyer Freddy Rumo, a former UEFA official, said at a news conference later that FIFA's warning to the French federation could be construed as a threat and contempt of court and therefore subject to judicial sanctions.

"We hope that now justice has been done and passions will calm down," Rumo said. "A judge has handed down a ruling and the sports organizations should conform to it."

Rumo said the ruling meant that any other action following the original UEFA decision, including the French federation's nomination of Monaco to replace Marseille in the European Cup, was also suspended.

The court, which gave UEFA 10 days to appeal against the decision, said the ruling was provisional and that a final one would be made later.

A triumphant Tapie returned to Marseille on Thursday after three days of public silence in Paris following the UEFA ban.

He had said last week he might quit and that Marseille would



Bernard Tapie, the Marseille team's owner, arriving for the meeting at which he got the backing of city and regional officials.

probably be forced into liquidation by a ban, with estimated losses from European Cup revenue put at 120 million francs (\$22 million).

But after meeting bankers and regional political leaders, he obtained promises of financial backing and, even without the court ruling, Tapie made it clear he was going to go on.

He told a news conference he would not sell a single member of his star-studded team and then addressed some 2,000 wildly cheering fans at the Stade Velodrome to thank them for their support.

"We're going to play Athens on Wednesday, I'm keeping everyone and I may even sign a new player," he said.

Police reinforced protection Thursday for Judge Bernard Befy, who is leading the legal investigation of the case, after his wife spotted an intruder in their yard. The man was not apprehended.

Among the things Befy is investigating is whether Tapie tried to bribe the former Valenciennes coach, Boro Primorac, to become

the scapegoat. Primorac has said Tapie received a phone call from Marseille coach Marc Bourrier during their alleged meeting June 17.

Sources close to the investigation said Thursday that a call was placed from the team's training camp to Tapie's offices at the time in question. (Reuters, AFP, AP)

Masur First to Gain Open Semis

Compiled by Our Staff From Dispatches

NEW YORK — Wally Masur, not usually mentioned in the same breath as Rod Laver or John Newcombe, took a big step Thursday toward joining their elite company at the U.S. Open.

Masur, who escaped almost certain defeat in the fourth round, reached the semifinals with a 6-2, 7-5, 7-5 victory over Magnus Larsson of Sweden.

Larsson served 15 aces but ended the match with a double fault, his fourth. Masur had eight aces but faced just two break points in the match, and saved them both.

The serve-and-volley triumph took 1 hour, 57 minutes and made Masur an unseeded 30-year-old ranked 24th in the world, the first Australian since Durrant Cahill in 1983 to reach the Open semis. It matched Masur's best performance in a Grand Slam, at the Australian Open in 1987.

The last Aussie man to win the Open was Newcombe, in 1973, and Laver won the U.S. national championships twice, in 1962 and 1969. Other Australian winners have included Roy Emerson and Ken Rosewall.

Pete Sampras and Michael Chang put on a show for two glorious sets Wednesday night that deserved to be in the final of the Open.

They played with power and touch, speed and artistry, Sampras slinging shots as hard as he could, Chang running them down and driving them back just as hard.

Then as the third set began and the hour grew late Wednesday night, Sampras simply wore Chang down game by game with high-velocity aces and baseline-kissing groundstrokes to march into the

Sampras at Last Runs Down Chang in Four-Set Thriller

This victory was much easier but fashioned with the same tools. Masur charged the net constantly, while Larsson stayed back. The Swede, ranked 60th in the world, never showed the snap or court coverage that he displayed in his fourth-round upset of fourth-seeded Boris Becker.

In the first set, Masur broke for 3-1 and again for the set on a Larsson error. The second set remained one of contrasts — Masur at the net, Larsson on the baseline — and on serve until the 12th game, when Masur broke on a long lob. In the third set, Larsson saved three break points — his only saves of the match — in the fourth game but double faulted on match point, leaving Masur pumping his fists in triumph.

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Brand Leads European Open by 3

LUCKFIELD, England (UPI) — Gordon Brand Jr. of Scotland, who missed out in the race for a Ryder Cup berth, upstaged the 11 Cup players in the field Thursday by shooting 65 to hold a three-stroke lead after the opening round of the European Open. Brand got eight birdies in his first 11 holes.

Ireland's Philip Walton and Olle Karlsson of Sweden were tied for second, with another Irishman, Ronan Rafferty, Robert Lee and Jeremy Robinson of England, and Germany's Torsten Gleditsch at 69.

Ian Woosnam and Severiano Ballesteros, second last week in the European Masters, were among a group at 70. Defending champion Nick Faldo hit into water on the first hole, took a triple-bogey finished at 76.

U.S. Open Results

Men's Singles
Pete Sampras (7), U.S., def. Michael Chang (7), U.S., 4-7 (7-6), 7-6 (7-5), 6-1, 6-1, 6-1.
Alexander Volkov (14), Russia, def. Thomas Muster (12), Austria, 7-6 (4-6), 6-3, 6-2, 7-5.
Wally Masur (24), Australia, def. Magnus Larsson (Sweden), 6-2, 7-5, 7-5.

Women's Singles
Helena Sukova (2), Czech Republic, def. Martina Navratilova (1), def. Conchita Martinez (12), Czech Republic, def. Katerina Malekova (Bulgaria), 6-4, 6-7 (3-6), 6-3.

Men's Doubles
Wally Masur (24), Australia, and Peter Dinklage (11), U.S., def. Andrei Olhovskiy (Russia), 6-7 (3-6), 6-4, 7-5.

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Michael Chang ran out of steam, then ran out of hope, during his four-set loss to Pete Sampras.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE			
Team	W	L	Pct.
Toronto	76	63	.557
New York	75	63	.553
Baltimore	72	63	.531
Detroit	71	63	.527
Seattle	71	67	.514
Minnesota	64	73	.465
Chicago	61	68	.433
West Division			
California	74	63	.543
Texas	72	63	.532
San Diego	72	67	.518
Seattle	70	69	.504
Oakland	68	76	.473
Los Angeles	59	79	.429
Oakland	54	83	.394
NATIONAL LEAGUE			
Team	W	L	Pct.
Philadelphia	83	54	.604
Atlanta	79	64	.554
St. Louis	75	64	.539
Chicago	70	70	.500
San Francisco	69	72	.489
Florida	58	81	.417
New York	47	93	.336
West Division			
San Francisco	88	52	.629
Atlanta	84	56	.600
Houston	74	66	.526
Los Angeles	70	72	.493
San Diego	68	74	.479
San Diego	55	87	.385
Colorado	51	87	.367

Wednesday's Line Scores

AMERICAN LEAGUE			
Team	W	L	Pct.
California	88	60	.593
Detroit	80	69	.536
Los Angeles	77	67	.533
Minnesota	76	67	.529
New York	75	68	.523
Seattle	74	69	.515
San Diego	73	69	.512
Texas	72	69	.509
Chicago	71	70	.500
Los Angeles	70	71	.497
San Diego	69	72	.489
San Francisco	68	73	.482
Seattle	67	74	.475
Oakland	66	75	.467
Los Angeles	65	76	.460
San Diego	64	77	.453
San Francisco	63	78	.446
Seattle	62	79	.439
Oakland	61	80	.432
Los Angeles	60	81	.425
San Diego	59	82	.418
San Francisco	58	83	.411
Seattle	57	84	.404
Oakland	56	85	.397
Los Angeles	55	86	.390
San Diego	54	87	.383
San Francisco	53	88	.376
Seattle	52	89	.369
Oakland	51	90	.362
Los Angeles	50	91	.355
San Diego	49	92	.348
San Francisco	48	93	.341
Seattle	47	94	.334
Oakland	46	95	.327
Los Angeles	45	96	.320
San Diego	44	97	.313
San Francisco	43	98	.306
Seattle	42	99	.299
Oakland	41	100	.292
Los Angeles	40	101	.285
San Diego	39	102	.278
San Francisco	38	103	.271
Seattle	37	104	.264
Oakland	36	105	.257
Los Angeles	35	106	.250
San Diego	34	107	.243
San Francisco	33	108	.236
Seattle	32	109	.229
Oakland	31	110	.222
Los Angeles	30	111	.215
San Diego	29	112	.208
San Francisco	28	113	.201
Seattle	27	114	.194
Oakland	26	115	.187
Los Angeles	25	116	.180
San Diego	24	117	.173
San Francisco	23	118	.166
Seattle	22	119	.159
Oakland	21	120	.152
Los Angeles	20	121	.145
San Diego	19	122	.138
San Francisco	18	123	.131
Seattle	17	124	.124
Oakland	16	125	.117
Los Angeles	15	126	.110
San Diego	14	127	.103
San Francisco	13	128	.096
Seattle	12	129	.089
Oakland	11	130	.082
Los Angeles	10	131	.075
San Diego	9	132	.068
San Francisco	8	133	.061
Seattle	7	134	.054
Oakland	6	135	.047
Los Angeles	5	136	.040
San Diego	4	137	.033
San Francisco	3	138	.026
Seattle	2	139	.019
Oakland	1	140	.012

SOCCER

WORLD CUP QUALIFIER

Ukraine 1, Luxembourg 0

DUTCH FIRST DIVISION

FC Utrecht 1, Alkmaar 0

USA FIRST DIVISION

San Jose 1, Portland 0

ITALIAN FIRST DIVISION

Parma 1, Lazio 0

GERMAN FIRST DIVISION

Bayern 1, Borussia Dortmund 0

SPANISH FIRST DIVISION

Real Madrid 1, Athletic Bilbao 0

ENGLISH FIRST DIVISION

Manchester United 1, Liverpool 0

SCOTTISH FIRST DIVISION

Rangers 1, Celtic 0

IRISH FIRST DIVISION

Shamrock Rovers 1, Drogheda 0

FINNISH FIRST DIVISION

HJK 1, Jokerit 0

SWEDISH FIRST DIVISION

Malmö 1, Örebro 0

NETHERLANDS FIRST DIVISION

PSV Eindhoven 1, Feyenoord 0

PORTUGAL FIRST DIVISION

Benfica 1, Sporting CP 0

GREEK FIRST DIVISION

Panathinaikos 1, Olympiacos 0

YUGOSLAVIA FIRST DIVISION

Red Star Belgrade 1, Partizan 0

CZECH REPUBLIC FIRST DIVISION

Spartak Praha 1, Slavia Praha 0

HUNGARY FIRST DIVISION

Ferencváros 1, Újpest 0

SIDELINES

Brand Leads European Open by 3

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Ian Woosnam and Severiano Ballesteros, second last week in the European Masters

OBSERVER

Sizing Up Downsizing

By Russell Baker
NEW YORK — If your ambition is to be fired, this is a great time to be an American. Most of the big companies — Eastman Kodak, IBM, Procter & Gamble and lots more — are firing as though unemployment is going to be the biggest thing since Madman Muntz brought television to the American parlor.

A National Boycott for Deauville Festival

By John Rockwell
New York Times Service
DEAUVILLE, France — Deauville is an elegant Belle Epoque beach resort and horse-racing center in Normandy, an easy two hours' drive from Paris. For casual tourists or those innocently attracted to the Deauville Festival of American Films, the 19th installment of which continues until Sunday, it is an extremely pleasant, unpressured place to see a raft of American movies.



Honored guests, from left: Ben Kingsley and directors Steven Zaillian and Wolfgang Peterson.

The Deauville Festival began in 1975 as a venture in civic boosterism, designed to prolong tourism past the end of the horse-racing season. It was founded by Michel d'Ornano, who was then mayor of Deauville. When he moved on to become French minister of culture in 1977, his wife Anne succeeded him as mayor and became the real guiding light of the festival. Her husband died in 1991, and she is still mayor and still the guiding light.

PEOPLE

Jackson Ditches Fans As Tour Winds Down

While Michael Jackson's tour bus cut through teeming traffic in southern Japan trying to ditch his pursuing fans, South Korea again rejected his bid for a Seoul concert, saying it would be "negative for Korean culture." And in Taiwan, where he performed last weekend, a taxi driver who overheard 21-year-old Wu Ke-pin praise Jackson beat her up. She was saved by the police. Jackson is ending the tour with concerts Friday and Saturday in Fukuoka.

Reports of Rosie Perez's marriage to Rocky Sanchez apparently were greatly exaggerated. The only people who knew about "the marriage" are the pranksters who pulled a fast one on the New York Post. The Post retracted its story and blamed it on "complicated phone deception." Perez says she's never met Sanchez.

Jane Fonda says she was as surprised as anyone that she married the media mogul Ted Turner. "I mean, what I'd heard about him, I thought, oh, man! And I mean he's from the South, you know, Southern men, they're not used to having partners." Asked whether she'll act again, Fonda replied, "I don't think about it. I don't really care, frankly, I wake up some mornings and I think thank God I don't have to care how I look."

The TV host Johnny Carson, the composer and lyricist Stephen Sondheim, the conductor George Solti, the gospel singer Marion Williams and the founder of the Dance Theatre of Harlem, Arthur Mitchell, will receive the Kennedy Center Honors this year for their lifetime contributions to American culture. The five honorees will be celebrated at a big bash at the Kennedy Center on Dec. 5.

Garrick Utley, 53, who recently left NBC News after 30 years, has joined ABC News as its chief foreign correspondent, based in London, replacing Pierre Salinger.

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WEATHER

Weather forecast section including maps for Europe, North America, and Asia, along with temperature and precipitation data for various regions.

CROSSWORD

Crossword puzzle section with clues for Across and Down, and a solution for the puzzle of Sept. 9.

"I wonder if the little guy had fun today?"



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